FBIS DAILY REPORT

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CONGRESSMEN ISSUE STATEMENT ON FALKLANDS

PY202214 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1732 GMT 20 Feb 86

[Text] Buenos Aires, 20 Feb (NA) -- The Argentine congressmen visiting London today stated that "obviously it is possible to peacefully, and in a civilized manner, resolve the conflict between the two countries" over the Malvinas, reiterating their regret at reports of their intended meeting with a British Government official.

In a joint statement, which was released simultaneously in London and Buenos Aires, Senators Adolfo Gass (Radical Civic Union) and Julio Amoedo (Popular Conservative Party) and Deputies Federico Storani (Radical Civic Union) and Jose Bordon (Justicialist Party) expressed their satisfaction with the results of the tour, the first one Argentine congressmen have made to Great Britain since the South Atlantic war in 1982.

The following is the text of the statement:

"We, the Argentine congressmen who are unofficially visiting the United Kingdom, express our satisfaction with the scheduled activities and meetings held with UK counterparts, MP's, academicians, journalists, church leaders, and members of other representative sectors of British life.

"Over the past 2 years, ever since Argentina restored its constitutional government, innumerable unofficial contacts between the Argentine and British peoples have taken place, including the ones held by congressmen of the two countries on several occasions -- among them the visit by our UK counterparts to Argentina.

"During those broad and frank talks, the stand we Argentines have concerning the sovereignty claim over the Malvinas Islands was constantly expressed.

"We were able to prove during those meetings that when one holds talks in good faith, seriously, with imagination, and with a willingness to overcome problems, it is possible to resolve, peacefully and in a civilized manner, the conflict between the two countries.

"In that same spirit we have come to Great Britain, convinced that holding talks with our interlocutors, without omitting any issues, is a valuable contribution toward overcoming the problems separating our governments, seeking to facilitate an understanding between them.

"The meetings held with Conservative, Labor, Liberal, and Social Democratic MP's which, on the part of the opposition, included their respective leaders, were mutually beneficial, valuable, and informative, owing to the broad spectrum of the talks and the fact that no issue was omitted but included all aspects concerning a solution to overcome the dispute over the sovereignty of the Malvinas Islands. For the first time, on 18 February, MP's from the above-mentioned parties, including the Conservatives, held talks with us at the British Parliament on all the aspects of the dispute. This is an important achievement for the Argentine congressional effort. Thus, we have fulfilled the scheduled program and our visit's goal.

"Concerning the various reports published by the press and the 'Foreign Office' [preceding phrase in English] communiques, we noted with regret that efforts were made to generate great expectations, as if the purpose of our visit was to hold meetings with British Government officials.

"Neither before nor during our stay did we consider such meetings possible. We did not intend to rebuff the British Government and, taking into account the lack of diplomatic ties between the two governments, the decision to initiate contacts such as the ones proposed must be made, according to the Argentine Constitution, by the national executive branch, which has repeatedly expressed its willingness to establish those contacts in compliance with the UN General Assembly resolution, and the appeals made by the World Union of Congressmen [Union Parlamentaria Mundial].

"We regret that a Foreign Office communique once again reasserted that none of the talks could include the problem concerning the dispute over the sovereignty of the Malvinas Islands and that, during our goodwill visit, the prime minister reasserted her intransigent position on that point by announcing a trip by the Foreign Office deputy minister to the Malvinas.

"We believe that these attitudes are contrary to those of all our interlocutors who, without stopping to raise arguments supporting their positions, were willing to discuss their positions with us in an open and reasonable manner, seeking, through the holding of serious talks, a way to improve our ties and find a solution."

PRELIMINARY AGREEMENT REACHED WITH IMF

PY202138 Buenos Aires TELAM in Spanish 2129 GMT 20 Feb 86

[Text] Buenos Aires, 20 Feb (TELAM) -- The Economy Ministry this afternoon reported that Argentina has reached an agreement with the IMF on the differences observed between accomplishments and targets established for September 1985, a situation which had been blocking the disbursement of $265 million of the stand-by credit. Jacques do Larosier, general manager of the IMF, has approved the accord and will now submit it to the IMF board for final approval.

INDUSTRY SECRETARY DISCUSSES NEW CREDIT PROGRAMS

PY132357 Buenos Aires CLARIN in Spanish 12 Feb 86 pp 14, 15

["Text" of interview with Industry and Foreign Trade Secretary Roberto Lavagna by CLARIN reporters Martin Ravazzani and Marcelo Bonelli in Buenos Aires -- date not given]

[Text] [Question] New credit assistance has been announced, but what are the specific payback periods and amortization schedules for this special financing?

[Lavagna] The announced lines of credit provide support for equipping small and medium-sized industrial companies, as well as technological improvements. They are also meant to encourage exports. Consequently, there are various lines of credit. The first one is for financing the purchase of Argentine-made capital equipment up to 500,000 australes. This line has a 5-year payback period, plus a 1-year grace period. The annual interest rate is 8 percent above the combined price index. This loan will be readily available, because the machinery will be used as collateral.

[Question] What are the amortization schedules for these credits? Every month? Every six months?

[Lavagna] The regulations are being worked out....

[Question] What are the details of the other lines of credit?

[Lavagna] The second line of credit is meant to aid the equipping of small enterprises with Argentine-made capital equipment. Each enterprise is limited to a credit of 150,000 australes, but it will have further credit support for working capital. Once the machinery has been installed, the enterprise will be entitled to up to 50,000 australes of working capital, with an interest rate 12 percent above the annually combined price indexes. There is also a line of credit intended to attract the scientific-technological community to investment projects, as is done in all the economies of the world. In this case, the loan will have to be repaid in 5 years at a cost of 5 percent above the annually combined price indexes. Then there is another prefinancing line of credit for manufacturers of capital goods who are pressured by the demand created by the incentive given for the purchase of equipment. This prefinancing credit will be granted under the same terms granted to the purchasers of machinery. Small and medium-size companies that export local products will also be given credit assistance. In total, $400 million will be granted.

[Question] Where will the funds come from?

[Lavagna] The funds are part of this year's budget. They have been apportioned specifically for this purpose. These credits will begin operating 1 March.

[Question] Do these credits represent an increase in the overall supply of credit, or do they represent cuts in other areas?

[Lavagna] The decisions of monetary policy have to be adapted to each economic circumstance. To the extent that it moves into the process of reactivation, the economy requires more money supply, and this will represent a net increase in credit. However, this does not mean that in some months, for reasons for monetary programming, cuts will not be made in other areas.

[Question] How many enterprises will benefit?

[Lavagna] On the average, about 1,000 enterprises will benefit from the second line of credit for small enterprises to purchase Argentine-made capital equipment.

[Question] Isn't this number too small, considering the number of small and medium-sized enterprises?

[Lavagna] Existing experience with credits indicates that all of these lines will probably not be used up. The limit of 1,000 is sufficient for the companies with the ability and projects at this time.

[Question] Are the export programs to be drawn up for companies individually or can they be drawn for sectors?

[Lavagna] The Industry and Foreign Trade Secretariat does not choose exporters, nor does it choose products or markets. The secretariat devises a general promotion policy, giving the entrepreneurs freedom to move. The sectors that can be included in the export programs are all those exporting manufactured goods; some of those that process raw materials; those building turn-key plants, ships, and infrastructure works abroad; and those engaged in services.

[Question] It was said at first that $300 million was needed to fund these export programs. Now it is $60 million, which seems very little, does is not?

[Lavagna] No, it does not. In the first place, the budget assigned $60 million specifically to export promotion. Then there is the "Jurisdiction 91" that provides additional resources for some specific programs, including export programs.

[Question] But can resources from "Jurisdiction 91" be obtained with Brodersohn as finance secretary?

[Lavagna] The finance secretary participated in the drawing up of the overall policy.

[Question] The program seems to benefit only large enterprises that have the ability to enter the international market.

[Lavagna] One of the elements that will be taken into account to evaluate those projects is their ability to expand the enterprise and increase indirect employment. It is not only for large enterprises.

[Question] With the current dollar exchange rate, how good are the conditions for export?

[Lavagna] The exchange rate is related to the performance of the industrial price index, and this has changed very little since the Austral Plan was implemented. Consequently, it is not right to speak of a deterioration of the rate of exchange, particularly considering the appreciation of the European currencies against the dollar. Instead, there is an improvement in the effective rate of exchange regarding the basket of currencies used for Argentine exports.

[Question] Fiscal incentives will be given to boost the exchange rate. Does this mean that the exchange rate has deteriorated?

[Lavagna] No, because these are not part of a temporary policy. They are part of a structural policy which tries to compensate for some structural flaws in the economy. This is the position that the government will take before international organizations. It is possible that in some external markets, objections will be raised against incentives that operate as subsidies to compensate for structural gaps.

[Question] Is the interest rate at an adequate level?

[Lavagna] No. The interest rate is very high. This is why the reactivation projects must begin by creating credit mechanisms that cut down financial costs. The reduction of the interest rate is being considered, within the macroeconomic policy.

[Question] Did you feel that you were being criticized by the president of the Rural Society when he said that your policy goes against agricultural interests?

[Lavagna] I will not comment on someone else's statements. I will only point out two things: First, this is the Secretariat of all Argentine foreign trade, which means that it will assign a fundamental role to the primary export sector; and two, if there should be any doubt of that, I want to say that I devoted my first 10 days in office putting back on course the grain trade agreement with the Soviet Union, reaching agreement in a delicate international market.

[Question] Can we announce the reduction of withholdings on export-generated foreign exchange for the summer crops?

[Lavagna] I can only say that there will be a reduction....

[Question] Will the withholdings on manufactured goods exports be reduced?

[Lavagna] It depends on which type of maufactured goods. The Industrial Union has promised to bring in a list of manufactured products that cannot be exported because of those taxes.

[Question] And the withholdings on meat exports?

[Lavagna] In general terms, they will not be reduced.

UCR DECLINES ROLE IN CGT NATIONAL CONGRESS

PY190049 Buenos Aires TELAM in Spanish 1456 GMT 18 Feb 86

[Text] Buenos Aires, 18 Feb (TELAM) -- The Radical Civic Union [UCR] National Committee has decided not to accept the invitation of the General Confederation of Labor [CGT] to participate in the so-called national unity congress. This is stated in a document delivered today to the CGT which reiterates that the UCR wants to participate in a dialogue and reach an agreement with all the national sectors, particularly with working class and its representative organizations.

The document also reiterates the UCR concept of national unity, which is based on pluralism and coexistence, an institutional approach to conflicts, support for the democratic system, and the elimination of violence. The UCR has always advocated this concept. This is why the UCR is the majority party in Argentina. It is supported by workers, businessmen, students, housewives, technicians, tradesmen, rural workers, and professionals; by people from all national sectors.

In conclusion, the UCR document says: We wish to summon our millions of members and sympathisers, as well as all the inhabitants of our country, to make 1986 the year of Argentina's takeoff in growth, production, effort, and serious creativeness in order to finally leave behind useless rhetoric and irresponsible ideologies that have hindered and harmed us so much.

CGT Criticizes Radicals

PY200231 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2355 GMT 18 Feb 86

[Text] Buenos Aires, 18 Feb (NA) -- The General Confederation of Labor [CGT] this evening accused the Radical Civic Union [UCR] of having run out "of arguments" and of talking about "corporativism and other nonsense to cover up its lack of solutions." These statements are contained in a harsh communique rebuking the governing party's document declining the CGT's invitation to participate of the National Unity Congress. The CGT criticises the government headed by President Raul Alfonsin by stating: "Like totalitarian regimes, the government wants unrestricted support in order to do exactly the opposite of what it promised during the electoral campaign, and behind the people's backs."

The CGT document, signed by Secretary General Saul Ubaldini, states that "the governing party has no answers" and warns that "it is isolating itself in the unsuitable and undesirable company of the IMF."

It then goes on to say that "in the meantime, the Argentine people cannot live off literature or rhetoric: the cost of living continues to soar upward while salaries remain frozen; factories close every day; and every day some sector that can no longer sustain the situation flares up into conflict."

The document states that if the UCR national committee's answer, which implicitly accuses the CGT of being a "corporative organization," is the result of "10 days of reflection by the governing party, we are lost." The CGT states that "there is no suggestion on how to overcome the crisis; no mention was made of our proposal other than slanderous and insulting remarks; there is no sign so the people can know the government's immediate plans."

The document adds that "we feel let down once again," stating that "after reading three pages of the text (of the UCR document) we realize that the governing party cannot explain what the government does, says, or decides, what the president intends to do, or what has been agreed with the IMF." The CGT document continues that "this is a democracy which is handled like a card game in which the future of the Argentine people is being left to fate without anyone knowing what is going to happen tomorrow."

The CGT believes that "unemployment, shortages, the progressive paralyzation of the productive apparatus, the reduction of our foreign resources, the constant deterioration of the social crisis and the snowballing of the alleged foreign debt are subjects that the government party does not want to discuss nor reach an agreement on." It adds that "democracy will not grow stronger, nor the nation greater, nor the people happier with arrogance and a fear to discuss the truth."

In another paragraph the document states that "dialogue among the various sectors continues to be the valid tool to exercise democracy and that God guides our good intentions and our actions because we know that the people are aware of the truth and the justice of our actions." The CGT accuses the UCR of mistaking "national unity with unanimity of points of view" and the "real and concrete problems with ideological discussions." After listing the political forces that have accepted their invitation to the unity congress and the objectives that prompted this congress, the CGT notes that "the governing party and the Buenos Aires Province Conservative Union" are the only sectors that turned it down.

FORMER JUNTA OFFICIALS FACE REBELLION CHARGES

PY192012 Buenos Aires BUENOS AIRES HERALD in English 19 Feb 86 p 9

[Text] (NA-DYN) -- Military and civilian officials of the past de facto government, including former Economy Minister Jose Martinez de Hoz, could be called on to testify in the case where former junta members are accused of "rebellion" against former President Maria Estela Martinez de Peron.

In relation to this case, Federal Judge Amelia Barraz de Vidal received on Monday in the Magdalena military detention centre a brief prepared statement from former commander-in-chief Jorge Videla, Emilio Massera and Orlando Agosti, but all three refused to be interrrogated, making use of their constitutional right to remain silent when the judge questioned them on their statements. It was disclosed that the statements included the motives that led to the coup and other political considerations.

Martinez de Hoz is also accused of rebellion in the same case, and his situation could be even more vulnerable than that of the former commanders-in-chief since it is common knowledge that his economic plan was prepared two years before the fall of the Justicialist government.

Barraz de Vidal also interrogated yesterday former deputy Ricardo Balestro (Liberal-Corrientes), who is being tried for calling Federal Prosecutor Julio Cesar Strassera an "immoral traitor" on Radio Mitre for his role in the trial against nine former junta members for human rights violations. Balestra refused to answer the judge's questions, claiming that at the time he allegedly insulted Strassera, he was under parliamentary immunity. Barraz de Vidal must rule on this matter and her decision can be appealed by the defendant.

Current jurisprudence states that parliamentary immunity is valid when a legislator is participating in a debate, but not when he is making public statements, as was resolved in the suit that centrist deputy Alvaro Alsogarary filed against his colleague Christian Democratic Augusto Conte.

Attorney Alberto Rudriguez Varela (Videla's lawyer and justice minister during his administration) and Roberto Durrieu are defending Balestra, who submitted an abortive bill to scrap the juntas trial. In reference to this trial, the federal court will begin receiving next Monday the responses by Strassera and the attorneys of the defendants to the sentence that condemned some of the accused to life imprisonment. After receiving the various observations, the court will decide if any of them may appeal the sentence to the Supreme Court. The prosecution will question the sentence on the basis that each junta should be tried as a whole and not their members as individuals, hence each junta member should receive the same -- very severe -- penalties.

DEMOCRATIC CENTRISTS LAUNCH UNITY EFFORT

PY182305 Buenos Aires LA PRENSA in Spanish 16 Feb 86 p 4

[Excerpt] Hector Siracusano, general coordinator of the Centrist Integration Movement [Movimiento de Integracion Centrista] of the Democratic Centrist Union [UCD], called a press conference to issue the declaration of principles of this new group. The meeting was held at the UCD headquarters, located at 1141 Rivadavia Street, and was attended by UCD leaders and members who support the initiative.

Siracusano noted that some UCD members have made certain statements and adopted certain attitudes "which were not necessarily made out of bad faith but, as a result of the civic fervor that characterizes us, are against the UCD doctrine and its political line. This caused a strong reaction from a group of UCD leaders and members who do not support these sorts of deviations."

He added that as a result of this, several initiatives have been undertaken defending UCD principles and that "one of these resulted in the establishment of the MIC, which was officially established by issuance of a document reaffirming principles and objectives that can be supported by all UCD members."

Siracusano noted that this movement is one of a conciliatory and truly democratic nature and not authoritarian. It seeks to consolidate party unity without excluding the activity of inter-party groups within the UCD, with the objective of perfecting and complementing ideas, party guidelines, candidacies, and other aspects concerning political activity.

He added: "The MIC strives to safeguard the guidelines and values on which the UCD is established by respecting the freedom of action of all of its members, but avoiding deviations and actions of individuals or sectors that will undermine the party's activities."

ENERGY SECRETARY OPPOSES PRIVATIZATION PLANS

PY161942 Buenos Aires BUENOS AIRES HERALD in English 16 Feb 86 p 2

[Text] Cordoba, (NA) -- Energy Secretary Conrado Storani said yesterday he will oppose "categorically" the complete privatization of the Bahia Blanca and General Mosconi petrochemical plants, saying "the state has invested too much money in those plants to abandon them completely now." In Cordoba for the opening of the Rio Grande dam on Friday, Storani said "I will argue and debate my position with President Alfonsin and whomever else necessary." Economy Minister Juan Sourrouille announced the two plants would be sold off in a major speech last week, along with the SOMISA steel plant.

Storani said there was no dissent in government circles on the issue, but rather "an exchange of opinions," and that he will respect Alfonsin's decision whether to privatize or not. Most observers believed that, with Sourrouille's announcement, the decision to sell off the plants had already been taken. "I have my particular point of view on the need for private investment capital in the sector," said Storani, but "in this case, I believe that the state has invested too much to lose the two companies that turned a profit." He said the state should hold on to at least 51 percent of the companies.

Referring to Argentina's call to foreign oil companies to invest here, Storani said "Argentina is moving ahead, and the future in the petroleum area is very auspicious." He called the state oil company YPF's call for oil drilling bids "a big success" even though "surely someone who wants to find some reason to criticize my administration or that of the government in general will find it." Storani also denied that he disapproved of Alfonsin's naming of Cordoba Deputy Carlos Becerra as presidential chief-of-staff, calling the reports "totally inaccurate" and saying that "I would never be opposed to youth's advance in the party." In another interview Thursday night, Storani said that he knew of "maneuvers by midnight de-stabilizers." "We are at a dangerous stage for the nation," said Storani, "in which some try to take for themselves the right to be more than opponents, but rather destructive censors who try to impose their postures over and above the verdict of the ballot boxes."

FARM PRODUCE PRICES, TAXES RESCHEDULED

PY192209 Buenos Aires TELAM in Spanish 2139 GMT 17 Feb 86

[Text] Buenos Aires, 17 Feb (TELAM) -- The national government has ordered total and partial reductions in the export duties on several agricultural products. It has announced that it will send Congress a draft taxation reform bill for this sector. It has also unfrozen the price of cattle on the hoof and it has readjusted the consumer price on beef cuts. Agriculture, Livestock, and Fisheries Secretary Lucio Reca announced these measures this afternoon during a press conference. The following are the main measures:

Export duties were reduced on the following: corn: 8 points, that is, from 29 percent to 21 percent; sorghum: 8 points, from 28 to 20 percent; peanuts: 11 points, from 24.5 to 13.5 percent; yerba mate: 14.5 points, from 24.5 to 10 percent; olive oil: 10.5 points, from 15.5 to 5 percent; wines: 6 points, from 11 to 5 percent; and citrus products: 5 points, from 10 to 5 percent. Export duties were eliminated on the following: cotton fiber, rice (the best qualities, tea, grapes, apricots, plums, apples, cherries, raisins, molasses, and pears.

This represents a $30-million reduction in national revenue, but an increase in income of about $100 million for the regional economies. A single exchange rate will be used during the 1986-87 farming year for all pampa region agricultural products by establishing a uniform rate of 15 percent.

A draft tax reform bill for the agricultural sector will be sent to Congress. It will provide for the replacement of taxes on profits and capital by a tax on the market value of land without taking into consideration improvements to the land. According to Reca, the fairness of the project will be endured by progressive tax rates and by a tax threshold for those who currently do not contribute because of the small size of their operation. Reca said that, through the substitution of one form of payment by another, it is expected that revenue collection will increase and that the surplus will be used for the systematic and progressive reduction of export duties. This reform does not mean that the sector will be overburdened in any way. This is a basic issue for the government policy, Reca said. If Congress approves this project while the land is being surveyed during 1986-87, the taxes paid will be received on account of current taxes on income and capital.

The National Grain Board has signed export agreements with the Soviet Union for the export of 4 million tons of fodder grain and 0.5 million tons of soy beans; with Mexico for the export of 1.3 million tons of grains; and with Brazil for the export of 1.6 million tons of wheat.

As of today, the fixed maximum prices for cattle on the hoof were suspended and wholesale and retail trade prices were also readjusted. The price of first class cuts to the consumer have been increased 15 percent. Other cuts remain at the price established in June. The price of butter to the consumer will rise 15 percent as of 20 February, with a further 9-percent increase as of 20 March. The prices of other dairy products will go up 9 percent.

ALFONSIN MEETS REPRESENTATIVES OF GROUP OF SIX

PY171654 Buenos Aires TELAM in Spanish 1422 GMT 17 Feb 86

[Text] Buenos Aires, 17 Feb (TELAM) -- Presidential Raul Alfonsin, one of the signatories of the Group of Six for detente and peace, this morning met in the Olivos residence with the representatives of the other five members of this movement, which was created on 22 May 1984. The meeting with Foreign Ministry officials of Mexico, Greece, Sweden, India, and Tanzania lasted 20 minutes. At the conclusion of the meeting Jorge Sabato, secretary of international relations, told reporters that the Group of Six will probably meet in Mexico at the presidential level toward the end of the first half of this year.

PERONIST LEADER CAFIERO VISITS NICARAGUA

PY141640 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2040 GMT 13 Feb 86

[Text] Buenos Aires, 13 Feb (NA) -- The Peronist Renewal Front leader Antonio Cafiero today stated that he could see for himself that in Nicaragua "there is an atmosphere of considerable freedom, considering that a great portion of the country's territory is in a state of war, a war waged by groups of 'contras' which are officially sponsored by the United States." Speaking with NOTICIAS ARGENTINAS by telephone from Managua where he went to attend a conference of Latin American political parties for peace in Nicaragua, Cafiero stated that "I could read the independent press and speak with opposition party members, who even participated in the conference, harshly criticizing the Sandinist Government."

Cafiero, a member of the triumvirate governing the Peronist Renewal Front (along with Carlos Menem and Carlos Grosso), stated that he also talked with a member of the Nicaraguan Supreme Court of Justice who "ideologically is a conservative." Cafiero said that he delivered a brief speech to the Latin American conference on behalf of his party and the Intransigent Party, the Christian Democrats, and the Peace and Justice Service, which also sent delegates to the conference.

Cafiero stressed the need to emphasize a policy of nonintervention and nonalignment in Latin America and stated that General Juan Peron had insisted on the need for Latin American integration, recalling Peron's dictum that "the year 2,000 will find us either united or dominated." A total of 118 Latin American political parties and nearly 200 delegates participated in the meetings, and about 60 to 75 speeches were given. Owing to the number of participants, the Argentine representatives from the Communist Party, the Movement toward Socialism, and the Workers Party, who were also present, could not speak during the conference.

Cafiero emphasized that in his speech he stressed the need to strongly defend "nonalignment." He also pointed out the presence of political parties currently in power in Latin America, such as the Peruvian APRA [American Popular Revolutionary Alliance], whose spokesman spoke on President Alan Garcia's behalf. Cafiero also stressed the presence of representatives of the Uruguayan Colorado Party and the Colombian Conservative Party, also currently in power.

On the other hand, Cafiero said that "the Mexican Institutional Revolutionary Party (PRI) and the Argentine UCR [Radical Civic Union]" were conspicuously absent. Cafiero was received by Commander Bayardo Arce, a member of the Sandinist National Liberation Front (FSLN) Executive Board. He also visited the National Assembly building and held meetings with leaders of the legally recognized opposition parties.

Cafiero will leave for Guatemala today. He was officially invited by the Guatemalan Christian democratic government presided over by Vinicio Cerezo. After this visit, Cafiero will return to Buenos Aires this weekend.

SOUTH KOREAN NATIONAL ASSEMBLY SPEAKER ARRIVES

PY180225 Buenos Aires LA PRENSA in Spanish 15 Feb 86 p 3

[Excerpt] Yesterday morning, Argentine President Raul Alfonsin received at the Olivos presidential residence Yi Chae-Hyong, the speaker of the South Korean National Assembly, who is paying an official visit to Argentina together with several chairmen of legislative committees.

During the meeting Alfonsin and Yi Chae-Hyong discussed international trade and politics. At the end of the meeting, Korean journalists who were present at the residence asked President Alfonsin to deliver a message for the Korean people. Alfonsin expressed satisfaction over the visit of the speaker of the South Korean National Assembly and his entourage and indicated that he was conveying cordial greetings to the Korean people, their president and government "together with my acknowledgement and gratitude for the invitation that I have received."

Alfonsin said: "I hope to soon avail myself of the pleasure to be in Seoul, South Korea, to see for myself the extraordinary effort which that striving nation is making to achieve economic development." Shortly after noon, the visiting legislator was decorated with the Order of the Liberator General San Martin at the level of Grand Cross.

FORMER NAZI REPORTEDLY FLEES TO PARAGUAY

PY201945 Buenos Aires TELAM in Spanish 2341 GMT 19 Feb 86

[Text] Buenos Aires, 19 Feb (TELAM) -- The report that a former Nazi has fled to Paraguay from Toldos, which is located in central western Buenos Aires Province, where he has been living for the last few years, could not be confirmed today by police, judicial, or government sources.

According to the report published in a Buenos Aires morning daily the former Nazi is identified as Teodoro Sounnen, 77 years of age, who is accused of participating in the killing of Jews in a concentration camp outside Berlin during World War II. The report also indicates that Sounnen, who was found by an Israeli commando last year, fled to Paraguay on an Uruguayan passport when he realized that his capture was imminent.

Official sources of the Buenos Aires Police, government, and judicial branch who were asked about this case in La Plata today did not confirm the press report. Officer Marcelo Avila of the police precinct in Toldos told TELAM that he knew nothing about the report and that the police are not aware of anyone by that name, or any other former Nazi with any other name, living or having lived in Toldos. No information could be obtained from the people working for the local daily EL MUNCIPIO or the Channel 4 closed circuit television company.

BRIEFS

NEW PRESIDENTIAL SECRETARIAT AUTHORITIES -- Buenos Aires, 17 Feb (TELAM) -- Carlos Becerra, secretary general of the presidency, today appointed Carlos Enrique Gamond the new under secretary and Alberto Luis Castagna the coordination under secretary of the mentioned office. This announcement was made by presidential spokesman Jose Ignacio Lopez, who confirmed that Horacio Costa will be sworn in as head of the government action under secretary and Jorge Fernandez Pastor as head of the legal and technical secretariat of the presidency. Gamond replaces Daniel Larriqueta, who has been appointed defense production secretary, and Castagna will replace Jorge Garcia Ferro, who has been appointed budget control secretary, both in the defense field. [Summary] [Buenos Aires TELAM in Spanish 2158 GMT 17 Feb 86 PY]

SARNEY ADDRESSES NEW CABINET'S FIRST MEETING

PY202332 Brasilia Radio Nacional da Amazonia Network in Portuguese 1134 GMT 20 Feb 86

[Address by President Jose Sarney to the first meeting of his new Cabinet at Planalto Palace in Brasilia -- live]

[Excerpts] Once again I have called a Cabinet meeting to evaluate the work that has been done. But this time we are doing so in the presence of new Cabinet members who have been recruited to undertake the difficult task of continuing the construction of the New Republic. To those who have left the Cabinet, I am thankful for their cooperation during these difficult times which have been marked by many obstacles. The year ahead will be one strewn with changes. But we are prepared to face the challenge.

Gentlemen: I call on you to experience with me the difficult problems that government administration and political affairs entail at a time in which the history of Brazil is testing the fiber and courage of its statesmen. I have tried to fulfill my duties with sacrifice, loyalty, and unblemished moral behavior. The Brazilian nation shall never have to claim anything from me for any wrongdoing. I only have one objective: to fulfill my duty; and only one duty: to serve my country. I will be invulnerable to all pressures that try to lead me astray from this objective. I am giving all of myself to achieve this objective as one committed to his destiny.

The government has no other commitment than that to the nation, and no other national interest than that of the will of the people. The government belongs to the people. The government knows that it is a legitimate government only when the people are in power and when power belongs to the people. We have established our priorities in the social sector aimed at benefiting the poor. With all our effort, we must aim to achieve this goal.

The government has chosen sovereignty and independence; it has chosen development, cultural identity, and freedom. The government has said no to recession, to the loss of the purchasing power of salaries, to unemployment, to violence. It has said yes to agrarian reform, to the participation of workers in the decision-making process, to austerity, to balanced public accounts, and to hard work. This is not an elitist government, neither is it a dogmatic, conservative, or ideologic government. This is an open, democratic government that is sensitive to the people's claims, a government that believes in private initiative but remains on guard against such possible deviations as agreements on prices, cartels, or abuses of economic power. We are here to continue the same task. Gentlemen, I invite you to join a government that expects to go down in history for its social achievements and for the creation of the state of law.

Messrs Ministers: I once again invoke the Democratic Alliance commitment that Tancredo Neves, one of the pillars of our history, voiced in public meetings. I reiterate to the Cabinet that our task calls for changes, democratic evolution, persistent search for reconciliation, and fulfillment of the commitments assumed by the Democratic Alliance. The document through which the Democratic Alliance was created states: Only if the people unite behind the permanent values that we share will it be possible to preserve our peace and our sovereignty, foster economic growth, and promote social justice.

Today I am again proclaiming this principle, primarily to strengthen the conviction that my government remains faithful to its origin, to its commitments, and to its objectives. I availed myself of my constitutional powers, which are part of the presidential republican system of government, to introduce changes in the cabinet team. However, I did not forget the Democratic Alliance's political platform. The fulfillment of democratic objectives demands that all ministers share the same views on the work of the government, which is based on the coordinated action of the ministers, who are close presidential assistants (?for whom the president is responsible).

In our capacity as officials holding elective posts, we have political ties that can and must be preserved and respected, and yet our strongest commitments are to our country, its tranquillity, and the restoration of democracy. All of us should work to attain this goal because all of us are on the same side. Therefore, this meeting is the continuation of work that began [words indistinct]. On 15 February, when I installed the new Cabinet members, I tried to explain the reasons for the Cabinet changes. I will now reiterate the basic concepts underlying the speech I made on that occasion: loyalty, responsibility, sense of duty, and work. Therefore, the order is to perform efficiently.

The change I have undertaken must be added to the course I am trying to chart for the government to (resolve) Brazil's complex political and economic situation. You, as ministers of state, have received from me the mission entrusted by the entire nation. Over the past few months we have been working hard conducting institutional changes.

Our freedom is the result of the measures the Brazilian people have taken to regain their sovereign rights. The country's institutional profile has changed, and the following objectives have been achieved: the establishment of direct elections at all levels; the call for a national constituent assembly; the recognition of the right to vote for the illiterate; freedom of party organization; the amendment of the labor laws; freedom of expression and of communication. The country has returned to the ballot boxes in an orderly manner. Congress -- and here I want to thank Senator (Mouro) for the help that Congress has granted to our leaders -- has actively participated in the decisions ruling the country's destiny, thus turning the people's representatives into better instruments in the service of the nation.

Economic development and growth have not been mere distant goals, but firm guidelines which have strengthened and given greater significance to government actions in the economic sector by reversing the recession. The economic indexes show that the economy is growing. This can be seen in the increase in the level of real salaries by approximately 15 percent, the creation of approximately 2 million employment opportunities, and the maintenance of a high trade surplus. These positive results are still far from meeting the expectations of the people, who have been repressed by years of recession and (?unequal) distribution of income. But our awareness of social needs has prompted us to devise a program and carry it out. No initiative has been adopted without taking into account the urgent need to recover the tremendous social and moral debt the country has contracted along its history. The emphasis put on development, growth, and increasing the purchasing power of salaries was in fact the essence of that program.

Brazil will never be a great nation as long as most of its inhabitants live in dire poverty, as long as inequality prevails, and as long as the victories achieved in the legal field are not extended to the social and economic sectors. This situation has inspired the government to propose agrarian reform, taking into account the need for stability and harmony in the fields, seeking to strengthen production and new initiatives.

This also inspires us to give priority attention to education, to the people's food supply, to irrigation of the northeast, and to all government assistance programs. The administration of the economy [words indistinct] imposed solutions on the most legitimate interests of Brazilian society. Our foreign policy, developed over a period of 150 years, has been strengthened under the democratic regime. Messrs Ministers, the five points that make up the government plan have little by little become a reality over the past few months, but there is still much to be done. These points are objectives, landmarks that guide the action of Your Excellencies. We are here to promote changes, to make the government action more effective, to serve this great nation.

The Ministry of Finance must improve its ability to guarantee the permanence of our growth and struggle against inflation. The public sector must likewise be managed wisely so it can enhance production and work instead of financial speculation, (?improve) state companies, increase government productivity, simplify legislation, and implement a clear-sighted fiscal and tax policy. The struggle against misery and hunger must be the priority of our social sector. The urgent need for nourishment, health, and social security programs must not hinder the necessity for the implementation of long-term programs to guarantee education and work for all Brazilians. Government assistance must guarantee the rights of the poorest in the fields of social security, medical assistance, free education, and work.

I am counting on this harmonious team to enable me to continue my efforts of administering the whole country as it deserves. Ours is a challenging mission but in order to fulfill it wecount on the guarantee and approval of the government and society in our [words indistinct] and successful measures, as well as on the loyalty and frankness of [words indistinct]. Whenever we lack resources, we must excel in creativity. We do not want to find problems, only solutions.

I also want to thank the ministers who remained in their posts. This meeting is to explain your guidelines. A ministry is a team that must have a team spirit and must act as a single body, so that government action will not be limited by personal competitions. All the ministers must give themselves to joint government action. All of you owe it to yourselves to attain an intention, a new phase, and an objective. Therefore, the success of our government action undoubtedly will be based on our unity.

The public discussion of disagreements that have already been resolved internally will not be tolerated. Debate is healthy, and the exchange of ideas in seeking solutions is creative. However, when a line of action and conduct has already been determined, controversy is intolerable. Controversy weakens the government and, above everything, it hinders teamwork, which is the form by which any government should work. Therefore, a cabinet may not disagree. I know that this will not happen. However, it is always good to remain alert to signs of disunity.

To those ministers who remained in their posts, I reiterate the guidelines I have already given. To those who are now beginning their tasks, besides recommending that you comply with the programs that are already being executed by your ministries, I wish to renew and add the following recommendations:

Mr Minister of Justice, the great, exceptional political event that will mobilize the nation this year will be the elections of the national constituent assembly, the government, and the state legislative assemblies.

Mr Minister, it will be your task to transmit the government's (?feeling) regarding the importance of this decisive stage in our national life within the context of a broader project, as well as the strengthening of Brazilian political institutions and the full implementation of our state of law.

The improvement of the democratic process should not be limited by the great, exceptional legal matters that must take place without fail to guarantee the people's rights. There are specific matters that demand urgent measures: protection of children, expedition of legal procedures, combating violence and crime, defense of consumers, improvement of the ethical and professional standards of the police cadres, legal improvements to discourage and punish financial abuses and corruption as well as the excessive promotion of women's rights [as heard].

The Justice Ministry has yet to enforce greater discipline through the country's judicial branch and the necessary amendments to the Brazilian judicial (?system), in order to guarantee greater efficiency in fulfilling its main duty, which is to build a society free of restraints caused by the excessive intervention of the state apparatus. The Justice Ministry will maintain its historic tradition of safeguarding the enforcement of laws while faithfully respecting the Constitution.

Mr Foreign Minister, the main objective of our foreign policy is to strengthen Brazil's image in the international arena. I want a foreign ministry willing to negotiate and aware that dialogue is only possible when equality exists. As of now I want more emphasis placed on the priority objectives of our foreign policy: regarding disarmament and detente, Brazil will cooperate inspired by its traditional policy of seeking conciliation, equilibrium, and realism; a just economic order that will seek fair solutions to the foreign debt crisis; ever-increasing priority treatment to the Latin American continent, not only through participation but also through the integration of Brazil with the continent in all joint efforts, especially those seeking a solution to the foreign debt crisis and the problems affecting our Latin American brothers. We need a policy for the Middle East that will strengthen ties of friendship with the countries of that area and contribute to the creation of a national Palestinian state, which is the aspiration of those long-suffering and great people, and seek the evacuation of the occupied Arab territories, respect for the UN resoultions, the right of all countries of the region, including Israel, to live in peace within internationally recognized frontiers. We need to strengthen our relations with the countries of Africa; to (?start) repudiating the persistent and abominable racism in South Africa; development of the great potential relationship with Asian countries whose dynamism represents the innovating force of present times; improvement of mechanisms of cooperation with countries that have planned economies; a policy that will contribute to the strengthening of the prestige of the western world, of the United Nations, the OAS, and the remaining international forums and organizations.

Messrs ministers, I would like to tell all of you that our task, the great task of rebuilding Brazil, is not impossible. It is true that we found chaos when we came. I can state Categorically that I inherited the worst political crisis in Brazilian history, the greatest foreign debt in the world, the greatest domestic debt. the highest inflation rate, the heaviest social debt, and the heaviest moral debt. I had to cope with the whirlwind of demands and desperation, frequently justified, as solutions proved to be impossible. I can now say that after several months of work, the situation is quite different. We have been able to put the public finances in order, and this is the greatest piece of news that we can give Brazil at this meeting today.

We have implemented a system based on austerity that is already yielding its fruits. Everyone is aware by now that the government is not a joy ride, it calls for joint efforts. I will give you an example: The months of January and February have witnessed something that has never happened before in Brazil. I repeat that we have managed to put our public finances in order, we have standardized the budgets, and the country now has a cash flow, when before it had none. We have not had a public deficit for the past 2 months, and we are quite sure there will not be one in March. We did not issue a single floating debt treasury bond; on the contrary, we reduced this debt by withdrawing from circulation bonds totaling 2.9 trillion cruzeiros. We have not issued a single cent in new money for the past 2 months to pay either debts or public expenditures, and the monetary base has grown by only 1.4 percent.

The budget is being complied with implicitly. I can once again tell the nation at large that the government's accounts are in order and will remain so to the end of this administration. This extraordinary effort is the result of the austerity, toil, earnestness, and ability of many of the men who hold key positions in the government and the economic sector. Interest rates have been reduced from 21 percent, the level at which we found them, to the 15 percent of today. This means that we have managed to save more than 30 trillion cruzeiros on the country's domestic public debt. We must spend within our budget, and we are not prepared, under any circumstances, to give up our ironclad control over the management of budgeted funds.

However, this will not stall the growth of the GDP nor will it paralyze the government. Resources (?have been) budgeted for a great program this year, and we will carry it out by correctly applying these funds through hard work, action, effort and anything else that may be necessary. We will maintain our policy for economic growth. This year's target is still 5 to 6 percent growth in the GDP. The income of the Brazilian workers as a whole has increased 16 percent, partly because of the 15.5 percent increase in the number of workers, and partly because of the average 9.9-percent growth in the real value of salaries. Compared to other years, we continue to experience a high-rate of growth in employment, as was evident in January. Thus, we shall continue to fight unemployment.

In the northeastern, the Sao Vicente project for small farmers is improving the relationship between the government and the rural producer. Never before did anyone in government mention the poor sectors, but this is a government that talks about the poor and acts through the poor sectors for the poor sectors.

I must now mention the pressing challenges we are facing: inflation and supply. Inflation has not given way, but we are not going to give up either. Inflation is not going to defeat us. The supply problem is a serious problem. For the past 10 years Brazil has continued to produce 50 million tons of grain, not maintaining growth with the population. With the salary increase granted last year we increased the workers' purchasing power, and as a consequence they increased their food purchases. The drought that affected the central south area caused a drop in the supply of foodstuffs. Prices increased, and inflation once again defied us. But I assure Brazil that the agrarian reform, the irrigation projects, the agricultural programs, the establishment of strategic stocks will pull the country out of the crisis threatening it and do away with hunger. As a consequence, the government's great work will neither be incomplete nor weak, it will represent a commitment to impove the peoples living standards.

The country needs order, peace, a frank and open dialogue free of secondary interests and seeking feasible solutions. I urge businessmen and workers to give us a hand. We will not be able to fulfill impossible demands. The interests of everyone prevail over the interests of any one sector. We are fulfilling our duty and I am sure that this cabinet is going to give men a hand to offer progress, hope, and confidence to Brazil, and to the Brazilian people. I want to tell those who wear the national colors that this cabinet is going to work. Thank you very much. [applause]

SODRE ON ISRAELI ACTION, COLOMBIAN GUERRILLAS

PY201439 Brasilia Radio Nacional da Amazonia Network in Portuguese 0900 GMT 20 Feb 86

[Text] The Brazilian Government has condemned the Israeli invasion of southern Lebanon on 18 February. In the first official declaration since Abreau Sodre became foreign minister, the Foreign Ministry expressed concern over the repeated attacks on Lebanon. However, the official document does not mention Israel. Minister Abreu Sodre also said that the Brazilian Government hopes that the wishes of the Lebanese people can be met and favorable conditions can be found for the withdrawal of foreign troops.

Minister Abreu Sodre also released a note denying that Brazil agreed to help the Colombian Government fight the M-19 [19 April Movement]. Sodre emphasized that the Brazilian Government considers the strict adherence to noninterference in the internal affairs of other nations as the basic points of its foreign policy. He recalled that President Sarney himself has already said that the M-19 problem is exclusively a Colombian problem.

FEDERAL POLICE CHIEF FAVORS INTERPOL MEMBERSHIP

PY200250 Brasilia Domestic Service in Portuguese 2100 GMT 19 Feb 86

[Text] Romeu Tuma, director general of the Brazilian Federal Police Department, has defended the reinstatement of Brazil into Interpol. Interpol, International Police Organization, operates as a center for information and makes connections between policemen of different countries, helping them in their work. Brazil gave up its membership in Interpol more than 6 years ago because at that time the country did not need much international information to solve domestic crimes. Now the situation is different. The increase in drug trafficking and organized crime demands the joint action of the Brazilian police with those of other countries. For this reason, Tuma will propose to the justice minister the reinstatement of Brazil into Interpol.

[Begin Tuma recording] Yes. Our proposal is to rejoin Interpol. Of course, this decision does not depend on us. We will have to study the situation, and of course there will be those who will be against and those for the proposal. We will submit this proposal for the consideration of the minister. He will make the final decision. Of course today we can make direct contacts by telephone when there is an operation that demands it. In this manner we will be able to follow criminals who are important within organized crime, and even in the world of counterfeit money. Nowadays there are many reports on counterfeit dollars, and there are other problems which are difficult to solve. [end recording]

Within the next few days Tuma will meet in Brazilia with state chiefs of police who investigate these types of crimes, and with the (?border) police superintendent. He wants to outline new measures against drug trafficking, following reports that stolen cars are being traded for drugs in border areas.

'NOTHING NEW' EXPECTED FROM ABRAMS' VISIT

PA200416 Madrid EFE in Spanish 2232 GMT 19 Feb 86

[Excerpts] Caracas, 19 Feb (EFE) -- Venezuelan Foreign Minister Simon Alberto Consalvi asserted today that the visit that Elliott Abrams, assistant U.S. secretary of state, will pay to Venezuela tomorrow will bring nothing new concerning the position of the United States and the Contadora Group on Central America. Consalvi said that, in his opinion, the brief visit is aimed at "reviewing the situation in Central America and exchanging views about it."

"I don't think there will be anything original in these ideas, because we are already familiar with the position of the United States and of the Contadora and Support Groups," he said. Consalvi added that Abrams' visit to Caracas will be "very brief," will barely last "a few hours." Abrams will meet with Venezuelan President Jaime Lusinchi during the visit. It was noted in political circles that there is a possibility that Abrams will travel to Colombia following his stay in Venezuela.

ARUBA SEEKS AGREEMENT TO REACTIVATE OIL REFINERY

PA2003356 Caracas Television Service in Spanish 0000 GMT 19 Feb 86

[Excerpts] Henny Eman, minister president of the neighboring island of Aruba, has arrived in our country to discuss ways to reactivate the refinery in Aruba. During his official 2-day visit, Eman will hold meetings with President Jaime Lusinchi, Energy and Mines Minister Arturo Hernandez Grisanti, and other personalities, including former President Rafael Caldera, Reinaldo Leandro Mora, and Leonardo Ferrer.

[Begin recording] [Reporter Jose Gonzalo Moreno] Eman arrived in our country aboard Venezuelan Air Force Plane No 2540 in the company of Economy Minister Leo Berlinski and (Armando Mujale), secretary of the Council of Ministers of Aruba. In addition to expanding relations and reviewing economic cooperation between the two countries, the Aruban minister president seeks a solution for his country's Lago Refinery, whose agreement with Exxon and the government expires on 20 February.

[Eman] The Government of Aruba must make a decision as to what to do with the refinery. Before adopting a decision on such an important matter we think that it is absolutely necessary to talk with the Venezuelan authorities and the president of the Republic.

[Moreno] Foreign Minister Simon Alberto Consalvi described the visit as significant. It is the first visit to Venezuela by a minister president of Aruba since that island decided to take on its independent status.

[Consalvi] We have historically maintained cooperation at both the official and private enterprise levels, and we hope and are interested in expanding these ties and coordinating them better at this stage.

[Moreno] While the Aruban Government is trying to conclude some international agreements to reactivate its refinery, the people of that country are trying to double or triple their income from tourism.

This has been a report by Jose Gonzalo Moreno for "The News." [end recording]

JOINT COMMUNIQUE WITH TRINIDAD-TOBAGO ISSUED

PA150437 Caracas EL NACIONAL in Spanish 3 Feb 86 P 1-14

[Joint communique issued in Caracas on 2 February at the conclusion of the visit to Venezuela by Errol Mahabir, minister of external affairs of the Republic of Trinidad and Tobago]

[Text] The two foreign ministers, hoping to strengthen the solidarity and cooperation between the developing nations, particularly those of Latin America and the Caribbean, reaffirmed the need to bolster the economic and commercial ties between the two countries within the framework of fruitful cooperation and mutual benefits, and to effectively respond to the needs and aspirations of the people of Venezuela and Trinidad and Tobago.

Prompted by that purpose, the ministers agreed to accelerate the execution of economic, technical, scientific, and cultural programs and projects contained in the final minutes of the mixed committee of Venezuela and Trinidad-Tobago, which makes evident the firm will of the two governments to bolster bilateral relations. In that respect, they agreed to hold a meeting of the mixed committee in Port-of-Spain next June.

Earnestly concerned over the effects of the world economic crisis, as evidenced by the recession and the stagnation of the economies, by a growing protectionism, high unemployment rates, inflation, loss of value of national currencies, and heavy foreign debts, added to the drop in the price of oil in the international market, they agreed to explore the possibility of greater cooperation in energy and finance matters.

In view of the uncertainty of the current international oil situation, the two ministers agreed that it is in the interest of the oil exporting countries, whether or not members of OPEC, to preserve the stability of the prices of hydrocarbons, which greatly contribute to the economic welfare and development of their peoples.

The two foreign ministers examined the existing situation related to the fishing activities in the boundary areas of the two countries and agreed to adopt the necessary measures to ensure due compliance with their fishery agreement.

Consequently, the ministers held a preparatory meeting of the fishing committee, as provided in Article VIII of the fishery agreement signed by both governments on 26 November 1985, which will start functioning once the established requirements for its entering into effect are fulfilled. In addition, they agreed that a committee should begin work immediately in order to comply with the mandate of the agreement and make the respective recommendations.

The ministers also agreed on the creation of a continued communications network between the two coast guard corps to speed up the solution of whatever fishing problems may arise.

On the matter of drug trafficking, the foreign ministers voiced their concern over the continued increase of illegal drug trafficking and consumption, acknowledging that these activities are a real destabilizing calamity to human values and, consequently, a serious risk to the security and defense of their respective ways of life. They agreed to start the necessary studies for the negotiation and conclusion of an agreement on the matter, based on mutual cooperation and assistance and intended to determine and coordinate the most effective control mechanisms required to fight drug trafficking and thus, to comply with the UN General Assembly mandate.

On consular matters, conforming to the Vienna Convention on Consular Relations of 1963, the Venezuelan foreign minister expressed his government's approval for Trinidad and Tobago to open consular offices at Guiria in Sucre, and also at Tucupita, in the Amacuro Delta Federal Territory.

Likewise, considering the problems derived from trade across the borders of the two countries, the two foreign ministers considered it worthwhile to adopt measures to create a direct communications link between the competent organizations of the two states and to exchange information permanently on this type of activity.

On the matter of demarcation of marine and submarine areas, the foreign ministers expressed their satisfaction with the progress achieved by the binational negotiating team in its work to adopt equitable and satisfactory solutions for both parties.

The two foreign ministers, after analyzing the ever closer relations existing today between Venezuela and Trinidad and Tobago, and taking into consideration the concurrences on various problems, underlined the need to establish speedier and more fluid information channels to facilitate contact between the two governments. In that respect, they decided to take the necessary steps to create a mechanism for political consultations by the two foreign ministries on matters of common interest, within the framework of a permanent dialogue between neighboring nations historically linked by a fraternal friendship.

In evaluating the work of the mixed committee of the two countries the foreign ministers identified several areas of immediate cooperation, such as tourism, hotel construction, joint enterprises, industrial fairs and expositions, maritime transportation, and the dual tax agreement, and decide to set up small work groups for these areas, which will submit their recommendations prior to the next meeting of the mixed committee.

Referring to the cultural relations between the two countries, the ministers observed with satisfaction that the results obtained through multiple activities have contributed to a closer rapprochement between their peoples and to a greater mutual understanding and knowledge.

They expressed their willingness to continue efforts in support and promotion of the development of the cooperation and cultural exchange relations, convinced that such an intensification will help the growing friendship between the peoples and will strengthen their existing ties. Referring to the planned youth symphony orchestra of Trinidad and Tobago, the Venezuelan minister again offered to share Venezuela's national experience in that field, and the minister of Trinidad and Tobago in turn offered to assist the Venezuelan youth orchestra in learning to use its native instruments.

The foreign minister of Trinidad and Tobago expressed his gratitude to his Venezuelan counterpart for the friendly attention afforded to him and his retinue throughout the course of their visit to Venezuela.

POSTPONEMENT OF $950-MILLION PAYMENT REQUESTED

FL200330 Mexico City NOTIMEX in Spanish 2248 GMT 19 Feb 86

[Text] Mexico City, 19 Feb (NOTIMEX) -- Mexico will request a committee of 13 international banks negotiating its foreign debt to postpone a payment of $950 million that is due in April. A spokesman for the banking committee said here this morning that the situation in Mexico is understandable due to the dramatic fall of oil prices, which is expected to lower the 1986 income by approximately $5 billion.

The $950-million debt is part of the $3-billion package the Mexican Government received in 1983, of which $1.25 billion was renegotiated in March 1985. The first $300-million payment was made promptly, but after the 19 September earthquake the Mexican Government requested and received a 6-month extension from the creditor banks. According to the spokesman, Mexico has not yet told its creditors what it needs to meet its commitments with the world banks.

PEMEX TEMPORARILY RESCHEDULES DEBT PAYMENTS

FL151610 Mexico City NOTIMEX in Spanish 1515 GMT 15 Feb 86

[Excerpts] Mexico City, 15 Feb (NOTIMEX) -- Pemex has decided to temporarily reschedule its payment programs to its providers and creditors of goods and services, which implies extending expiration dates by an average of 30 days. During a meeting held by leaders of the Confederation of Industrial Chambers of the National Chamber of Construction Industry, Pemex Director Mario Ramon Beteta and officials from related providers and creditors explained to providers and creditors what the international factors are that caused the adoption of this measure.

In a communique, Beteta explained that due to circumstances of the international crude oil market it has become necessary to adjust its income and expenditures to remain within the financial limits established by the federal government. This, he said, required the rescheduling of payments. In this way, the February and March payments will each be a month late, Beteta told creditors of goods and services that were rescheduled. Normal scheduling will be reestablished during the second half of the year.

During the meeting, Confederation of Industrial Chambers President Silvestre Fernandez, who agreed with Beteta that the rescheduling is not a moratorium, said falling oil prices require adjustments and reprogramming of economic plans. Fernandez added that Pemex is not an isolated entity and that the decisions adopted should guarantee continued relations with its providers.

OFFICIALS WARN NATION OF FINANCIAL DISASTER

FL201458 Bonaire Trans World Radio in English 1130 GMT 20 Feb 86

[Text] Mexican officials have begun a process of warning the nation that the dramatic drop in world oil prices could bring about a financial disaster for the country. Last week Mexico was forced to lower oil prices to an average of $14.75 a barrel to remain competitive in world markets, but that will cut expected oil revenues to $8 billion. That is far less than the $10 to $12 billion needed just to service the nation's $100-billion foreign debt.

DE LA MADRID MEETS U.S. AMBASSADOR SHLAUDEMANN

PA201922 Mexico City XHDF Television Network in Spanish 1955 GMT 19 Feb 86

[Text] President Miguel de la Madrid this morning met with U.S. Ambassador Harry Shlaudemann, President Ronald Reagan's representative for Central American affairs. The private meeting with Shlaudemann was the result of the meeting held by eight Latin American foreign ministers and U.S. Secretary of State George Shultz in Washington 9 days ago.

President De la Madrid stressed the importance of achieving a negotiated peace on the basis of a political dialogue that will adequately satisfy the legitimate interests of all parties involved in the Central American situation. The president particularly emphasized the importance of creating a favorable political atmosphere for negotiations. The first positive step would be a halt to the hostilities in Central America, President Miguel de la Madrid said.

Foreign Secretary Bernardo Sepulveda and U.S. Ambassador to Mexico John Gavin were present at the meeting. Shortly before leaving, Ambassador Shlaudemann said at the international airport that military intervention is not the way to peace in Central America. He added that the meeting with President De la Madrid was very interesting and constructive.

NAVY ANNOUNCES OPERATIONS IN BAJA, CAMPECHE

PA210406 Mexico City UNOMASUNO in Spanish 19 Feb 86 p 9

[Excerpt] Admiral Miguel Angel Gomez Ortega, Mexican secretary of the Navy, has informed President Miguel de la Madrid that as of 1 March the "Alert Operations" [Operaciones Alerta] will be carried out simultaneously on the island of Margarita, southern Baja California, and in San Luis Carpizo, Campeche. The "Alert Operations" are part of the Navy's tactical training program.

Also, the secretary of the Navy explained that 9 surface units, 3 sea and air units, 12 marine companies, and 2 other naval units will participate in these operations. Gomez Ortega added that the "Alert Operations" are aimed at increasing the efficiency of the Navy on both coasts.

BRIEFS

FOREIGN INVESTMENT -- Foreign investment in Mexico totalled more than $13 billion, the Commerce and Industrial Development Secretariat revealed. The United States is the largest investor, having invested $8,513.4 billion, or 66 percent of the total. It is followed by the FRG with 8.7 percent, Japan with 6.3 percent, Switzerland, the UK, Spain, and France with 5, 3.1, 2.9, and 1.8 respectively, while Sweden, Canada, the Netherlands, Italy, and others had 1.8, 1.5, 0.3, and 1.5 percent of the total invested. The manufacturing sector was the leading area of investment, with 88.7 percent of the activity being concentrated in that area, 11 percent in commerce and services, and 0.3 percent invested in the agricultural, livestock, and mining sectors. The report points out that 6,625 concerns in Mexico involve foreign capital, of which 2,756 have mostly foreign capital, 3,322 are 25- to 49-percent foreign owned, and 547 are less than 24.9-percent foreign owned. [Summary] [Mexico City EL DIA in Spanish 27 Jan 86 p 8 PA]

AUTHORITIES DENY POSSIBLE DUVALIER ASYLUM

PA201557 Paris AFP in Spanish 1535 GMT 20 Feb 86

[Text] Panama City, 20 Feb (AFP) -- Panamanian authorities today denied the possibility that former Haitian President Jean-Claude Duvalier will obtain political asylum in this nation, as rumored by the local press. Nevertheless, radio sources today said that former U.S. presidential adviser Richard Allen arrived in Panama over the weekend to meet with President Eric Delvalle and to sound out the official position on the possible arrival of Duvalier.

According to a report in the progoverment newspaper MATUTINO, Allen is in the country at the invitation of the Republican Party -- whose president is Delvalle -- to speak to the Chamber of Commerce on U.S. investments and the international economic outlook. In recent years, Panama has taken in several famous exiles such as the shah of Iran, former Argentine President Juan Domingo Peron, two former Venezuelan presidents, members of the Basque Fatherland and Liberty of Spain, and many Chilean and Cuban refugees. Nevertheless, an official spokesman who asked to remain anonymous denied that Duvalier's asylum is being negotiated. Meanwhile, bank circles speculated on the possibility that the Duvalier family will make million-dollar deposits in Panamanian banks, but this has not been confirmed by authorized sources. After Duvalier's fall, Haitian refugees held demonstrations in front of their country's embassy.

U.S. CONGRESSMAN'S IDEA ON CANAL STUDY REJECTED

PA192202 Panama City CRITICA in Spanish 19 Feb 86 p 4

["Firing Line" column by Jose Franco: "Public Charge: The Canal Must Not Pay for Canal Alternatives Study"]

[Text] Panamanian Government officials have told us that in the United States, Congressman Mike Lowry is promoting the idea that the 6 million balboas that the United States must pay as its share for the studies on alternatives for the Panama Canal be paid from Panama Canal funds. One of these officials angrily stressed: "In other words, the share of the United States, a rich and powerful country, would be paid by Panama from the surplus that it would receive from canal operations."

Making a brief account, for our readers' benefit, the Governments of the United States, Japan, and Panama agreed to finance, in two equal parts, the cost of a feasibility study for alternatives to the canal, a study whose cost is estimated at approximately 20 million balboas. Based on this agreement (which we question, because we feel that the total cost of this study should be shared by the United States and Japan, rich countries which would receive the biggest benefit from it), each country would give 6 million balboas. However, according to Congressman Lowry, the U.S. share should not be taken out of U.S. Treasury funds but from funds received from the tolls paid by ships that transit the Panama Canal. Although the Panamanian officials assured us that the government is aware of the situation and will take pertinent steps to prevent such an absurd action, we believe it is our duty to make this matter public. It is necessary, we believe, for the Panamanian Government to take a stronger position through diplomatic channels (and others if necessary, even the legislative chamber) to stop such an attempt. The country's conscientious forces must join efforts to counter individuals who, like Lowry, believe that Panama is living in the past.

COSTA RICA

DEPUTIES QUESTION VISIT OF U.S. ARMY ENGINEERS

PA201857 San Jose Radio Reloj in Spanish 1200 GMT 20 Feb 86

[Text] Popular Vanguard Party [PVP] Deputies Ferreto Segura and Menendez Chavez have submitted a request to the Legislative Assembly for the interpellation of Foreign Minister Carlos Jose Gutierrez. They want the foreign minister to appear before the Legislative Assembly to explain why the arrival of 180 U.S. military engineers has been authorized without the permission of the deputies. The PVP deputies are opposed to the presence of the U.S. military engineers because they feel that they constitute a provocation against the Nicaraguan regime at a time when Costa Rica is normalizing its diplomatic relations with our northern neighbors.

Engineers Promised Protection

PA202236 San Jose Radio Impacto in Spanish 1830 GMT 20 Feb 86

[Text] Public Security Minister Benjamin Piza said that the Security Ministry will give protection to a group of approximately 180 U.S. Army engineers who will be arriving in Costa Rica at the end of the month. Some of them will arrive in a few days to set up camps and working centers. The Army engineers will build a bridge over the Hatillo Viejo River, in Puntarenas Province. They will also repair other bridges in other parts of the country. The U.S. Army personnel will not carry any arms. Therefore, their protection is left to the Security Ministry, Minister Piza said.

TSE OFFICIALLY DECLARES ARIAS NEW PRESIDENT

PA201224 San Jose Radio Impacto in Spanish 1830 GMT 19 Feb 86

[Text] The Supreme Electoral Tribunal [TSE] has officially declared Oscar Arias Sanchez as the new president of the Republic. The TSE also declared Jorge Manuel Dengo as first vice president and Victoria Garron de Doryan as second vice president.

Dr Oscar Arias will assume command of the presidency on 8 May from President Luis Alberto Monge to govern the country until 8 May 1990. At this morning's ceremony, the next first lady, Margarita Penon de Arias, was presented the gold pen with which the magistrates signed the credentials of the president and vice presidents from TSE President Franciso Chavez Meza.

Upon receiving his credentials, president-elect Oscar Arias said:

[Begin recording] I want to share with you gentlemen, magistrates, members of the press, and very dear freinds who have come this morning the pride we should all feel as Costa Ricans over a ceremony so simple on one hand, but on the other so full of emotion and significance. It represents Costa Rican democracy. May God help us so that the virtue of freely electing our leaders, the result of the efforts of many generations, will be enjoyed by our children and grandchildren.

Of course, today is a very special day for me. I feel very happy and fully aware of my responsibility to govern my country during such a difficult time. For this reason, I again repeat the prayer of Marcus Aurelius, asking God to give me the serenity to accept the things that I cannot change, courage to change the things that I can change, and the wisdom to know the difference.

You can rest assured that in every one of my actions and those of the companeros who will be at my side such as Jorge Manuel Dengo and Victoria Garron, each of our actions will entail the search for what is best for our country and best for our people. Thank you very much. [end recording]

Arias Sanchez later told the national and international press present at the TSE that [words indistinct] is a challenge for Costa Rica and we must demonstrate that our democracy is more efficient than a totalitarian system. He also said that he hopes Social Christian Unity leader Rafael Angel Calderon Fournier will meet with him as part of the essence of democracy.

1985 GROSS NATIONAL PRODUCT INCREASED SLIGHTLY

PA202200 San Jose LA NACION in Spanish 11 Feb 86 p A

[Text] The gross national product increased 2.2 percent in 1985, according to the Central Bank preliminary estimates, which, if confirmed, will refute predictions that production and services would be approximately 1 percent less than in 1984.

Central Bank President Eduardo Lizano was the first to release this figure, which Planning Minister Juan Manuel Villasuso confirmed yesterday. Lizano said that last year the gross national product had fluctuated and at one time it was 2 percent below estimates, but that finally it picked up to the current favorable percentage. "It will be close to 2 percent over last year's," said.

For Minister Villasuso, the latest reports, which are not based on speculation but on real facts, confirms the Planning Ministry's estimates, which announced in November last year that the gross national product would increase approximately 1 to 3 percent. The truth is that in 1985, the economic situation was not as active as it was in 1984. As a matter of fact, in 1984 production and services increased 7.5 percent, according to the latest Central Bank figures. In summary, although the gross national product did not drop, its increase was slow.

Minister Villasuso blames the low gross national product growth rate on the following three factors: the decrease in banana production and export, the drop of commercial activities with Central American countries and less bank credit in 1985 than in 1984. Nevertheless, Villasuso believed that last year the country's economic situation was satisfactory "in comparison to the rest of Latin American countries, whose average growth was 1 percent," according to figures released by the Economic Commission for Latin America, ECLA.

When asked if he believed that the difference between 1985 and 1984 was too great, Villasuso agreed that if they had had more funds from the banks "much more could have been done." However, he added that "it would have affected prices and imports," it would have meant more than 10 percent inflation, which we did have in 1985, and also a higher imbalance in the balance of payments, which shows a deficit of approximately $170 million.

"We have managed to maintain a balance between production growth and price stability," Villasuso said, immediately referring to Brazil, which in 1985 reported a 7 percent gross national product increase, but also 200 percent inflation.

The original estimates on the gross national product for 1985 were: the Central Bank, 1 percent; the IMF, 1.1 percent; the Economic and Legal Consultants, Counsel, 0.3 percent; and the Economic and Financing Consultants, CEFSA, 0.7 percent.

DUARTE ON ALLEGED CIVILIAN DESTABILIZATION

PA202010 San Salvador Television Educativa in Spanish 1230 GMT 20 Feb 86

[Text] President Jose Napoleon Duarte has said he knows about the ciivilians who tried to organize a coup d'etat. During an unscheduled press conference on Tuesday, President Duarte said that those promoting a coup are discrediting themselves. He affirmed that his government will continue working to strengthen democracy.

[Begin Duarte recording] Usually, when there is a coupist movement people begin approaching officers with flattery. Yesterday, I received a report that some civilians wanted to talk with someone in the military to generate this type of destablization. However, thus far the Armed Forces remain firm and quiet. They know what we are doing. They know that this is good for the country, that it makes the economy and democracy stable, and that it gives the Armed Forces the basis for managing the nation's security process in a professional manner.

Your question could have implications if I had responded that I am going to adopt actions against those persons who are thinking about destabilizing the country. What I am currently doing is informing the people that this situation exists. My primary task is to give this message to the people, not because of my position of authority or of strength, but because of the awareness factor so that the people know there are those who don't care about democracy and who prefer to destabilize the country and to carry out a coup d'etat to destroy it. This would mean the loss of economic and military aid. This would weaken the Armed Forces and, of course, help the extreme left. It is interesting to see that the extreme right is looking for a coup that would help the extreme left. Think about it. Do you think that if the people noticed a popular insurrection they would support the right? I do not think so.

You can imagine what the right is sowing with the campaign it is waging. My work is to inform the people and convince them so that an aware people cannot be fooled. If the people are not fooled and the Armed Forces cannot be fooled, then the gentlemen spreading flattery and calling for a coup d'etat will not progress because no one will listen to them, and they will be even further discredited. [end recording]

The president also discussed the murder of two agrarian reform employees and that of the president of the Salvadoran Institute of Agrarian Transformation. He also said that a commission has been assigned to review Salvadoran legislation because in cases such as these the masterminds behind the crimes are found not guilty.

DUARTE ADDRESSES NATION ON ECONOMIC ISSUES

PA200407 San Salvador Domestic Service in Spanish 0300 GMT 19 Feb 86

[Address to the nation by President Jose Napoleon Duarte on 18 February; place not given -- live or recorded]

[Excerpts] Salvadoran people, good evening. I have come before you again to continue our talks about the process of economic reforms and the measures we are adopting. For that reason, I would like to talk to you for a moment about the problem of oil prices. I would also like to talk to you to establish the rules of the games and the conditions for staple products during the next harvest.

On this occasion, as you will see, I will not respond to any of the insults and offenses against me that you may have heard in some news media, or to some groups that have been fostering instability in the country.

I believe that it is more important for the people to continue learning this process so that we can become used to it and slowly start to resolve the problems that may crop up. I believe that you have learned that today we... [changes thought] the Legislative Assembly has approved the amendments we introduced on changes to consumption taxes which, no doubt, will resolve some of the problems brought up by some of the country's industries.

New, let us talk for a moment about oil matters. Some people have remarked that the international price of oil has dropped. That is true. Here are the charts on the international price of Great Britain's oil. Worldwide, there has been a drop of prices on the international market caused by a surplus in the supply of crude oil from countries that do not belong to OPEC, such as the North Sea countries, the Soviet Union, Mexico, or Alaska. [as heard] An increase in supply has caused prices to drop.

This is exactly what happened with the oil we purchase here in El Salvador. We purchase two types of crude: Isthmian and Lago Treco Reton crudes. Here are the charts for the Isthmian and Lago Treco Reton crudes. As you can see, when compared with the North Sea oil chart, which shows a drop in prices, the chart for the other crudes are more or less horizontal. Therefore, the prices we have to pay in El Salvador are those of the Isthmian and Lago Treco Reton crudes. Some may ask, why don't we purchase Arabian or North Sea crudes? The problem is that we have signed a contract with Mexico and Venezuela guaranteeing us a supply of oil. This contract was signed in San Jose some years ago, and it is still in force. This allows us to understand that we have the possibility of maintaining a permanent supply of oil, and that Mexico and Venezuela also give us some benefits.

For example, 30 percent of the money we pay to Mexico and Venezuela for oil purchases goes into a fund which in turn is later used to lend money to the countries which subscribed to the San Jose Pact. This benefits our countries. We would not have this benefit if we had to purchase oil from other sources. The more important thing is the guarantees that are offered. If at any given time we had to purchase from Saudi Arabia, you can image the distance from Saudi Arabia to El Salvador. However, the distance from Mexico and Venezuela are relatively short. Therefore, this allows us to understand why we must purchase Lago Treco and Isthmian crudes.

Regarding for the types of oil we are purchasing, we are purchasing pure Isthmian, that is, crude to which nothing has been added. However, we inject butane, naptha, [word indistinct], and gas oil into some barrels of Lago Treco crude we purchase. These injections, then, fill... [changes thought] the Mexican crude plus the reconstructed Venezuelan crude together fill our consumption needs, and this is what is important.

Here, there is a imbalance between the supply and demand for hydrocarbon fuels. To understand the problem, then, we see that we can produce oil products at El Salvador's Petroleum Refinery [RASA] plant, but our consumption is higher. For example, you can see that while we can produce 6.87 [unit not specified] of butane gas used in homes, we need 8.18, which means a 1.31 deficit. Regarding gasoline, while we produce 24.36, we need 27.83, which means a 3.47 deficit. The same thing happens with kerosene: While we produce 2.99, we need 3.68, which means a 0.69 deficit. This also applies to diesel: While we can produce 30.16, we need 34.31, which means a 4.15 deficit. Therefore, in order to balance this situation, we must either use products shipped here that have already been processed, or use products resulting from the injections into the barrels of crude.

In fact, the RASA plant was designed to handle reconstructed oil. Therefore, this is problem we are now facing. With the surplus in fuel oil, the RASA plant cannot separate these products in order to increase its diesel and gasoline production.

So, we must have reconstructed products because of the nature of the plant we have. We must purchase finished products.

It is at this time and this date that we are sure that the price of the mixture or cocktail of light and heavy oil is guaranteed. It could get lower in the future, yet it could climb at any time. Consequently, we will now consider these prices and try to spread 832.25 million colones for some changes in the price structures of refined oil products. Here you see a chart that represents the distribution. We have carried out a study in an effort to lower the prices of some oil products. We have worked on this through the economic committee. We have determined that, under these conditions and considering these prices, we can make the following price changes.

The current price of high-octane gasoline is 9.70 colones. We will lower this price by 30 centavos, down to 9.40 colones. Low-octane gasoline is currently sold at 8.90 colones. As of tomorrow, its price will be 8 colones. So this means that gasoline prices will change from 9.70 down to 9.40 and from 8.90 down to 8 colones as of tomorrow. In addition to this, the price for kerosene will remain at 5.70 colones per gallon. The price of the (?zero turbo) oil will remain at 8.85 colones per gallon. As I offered to do, we will reduce the price of diesel oil from 6.95 colones down to 5.95 colones per gallon, or a 1 colon reduction. We will also lower the price of the fuel oil from 3.65 colones down to 3.00 colones per gallon. The price of the low pressure gas [LPG] will remain at 83 centavos per pound. As you can see on this chart, the difference between current and new prices appears on this line. For instance, in the case of the high-octane gasoline, the difference is 30 centavos. However, we must multiply those 30 centavos by the number of gallons of high-octan gasoline that will be consumed, that is 30,867,018, to calculate the amount that we must spread.

Here we must touch upon the special subsidy for collective vehicles. We have already given the buses a special price for their purchases of diesel oil. This price is 1.70 colones and will not be changed. At this time, however, we have included the special subsidy for taxis and microbuses. Not until we have resolved the problem of handling these subsidies, all taxis and microbuses are registered, and the proper procedure is established, shall this change of fuel prices be in force. So, my dear taxi driver friends, particularly those who met with me last week, I can now report to you that we have studied -- as I promised to you -- an important price reduction for you to resolve your problems regarding this matter. I can tell you that the Economy Ministry has received instructions from the economic committee to establish the mechanisms for the implementation of the price reduction that we have managed. Consequently, we will lower the fuel price for taxis and microbuses. The current price of 9.70 colones per gallon will be lowered to 7.50 colones per gallon. The difference is 2.2 colones per gallon. This , multiplied by 5,000,000 colones that we will earmark for taxis and microbuses, will mean an additional subsidy of 11, 094,560 colones.

The difference in price for regular gas is 90 centavos. We have a consumption of 11,970,000 gallons. This means a subsidy of 10,773,000 colones. The next subsidy to be considered is that related to diesel oil. We have lowered its price by 1 colon. We consume 38,559,486 gallons. This means a 38-million colones subsidy. The price of the fuel oil will be reduced by 65 centavos per gallon. Its consumption is 34,650,000 gallons. This means a subsidy of 22 million colones. All these price reductions amount to 92 million colones.

In addition, as you have observed on the chart here, we must pay for a fuel oil deficit because we receive it as part of the crude oil. This fuel oil comes here as part of the light and heavy crude oils. Then fuel oil is separated here. Regrettably, we do not consume all the fuel oil we produce. We spend money to bring it here and refine it, and then we have to sell it abroad again. Regrettably, fuel oil prices are extremely low.

Currently, its price oscillates between 9 and 11 colones per barrel. I beg your pardon, $9 and $11 per barrel. As you may have observed in this chart, the difference between our purchase price of $30 and $35 and our sale price of $9 is enormous. This difference is the one that I write here, on the line that says loss for export of fuel oil. The figure is 40,293,916 barrels [figure as heard]. One of the things that we must do in the country is to seek ways to reduce this loss in fuel oil because it is gigantic. We could reduce our consumption if we could reduce the fuel oil import. Regrettably, this is part of the type of crude oil that we must import due to the type of refinery that we have. So, this is part of the refining process.

We could produce this quantity if we imported already refined products, but this would call for a decision with the RASA to see how we could manage the situation. We have made an adjustment to give gas station owners a small additional margin. At a meeting with the economic committee, they stated their points of view, and we concluded that it would be logical to give them an additional subsidy or rather an additional price that totalled 3.6 million colones.

Adding up all of these quantities, the total reduction of the price to the consumer is 135.5 million colones. Here you will find a discrepancy between 135.5 million and the available 132.25 million, which is a difference of 3 million. However, we believe that it would be advantageous to run the risk of the 3 million because we are sure that for the time being prices are going to drop a little more, which will allow us to cover this difference.

It must be understood that at any time prices could start to rise, and this is why we must establish a cushion, we must create some protection and not run the risk of being greatly affected by increased prices in the future. Therefore, new prices have been established, and, as of tomorrow, I repeat, super gasoline will be sold at 9.40 and regular gasoline at 8 colones. For the cement factories, for example, fuel prices will be dropped from 3.66 to 3 colones per gallon.

I must inform taxi and microbus drivers that the Economy Ministry will initiate the process of classifying and controlling taxies and microbuses in order to prevent mistakes. This will not be able to begin tomorrow because there will be a process to resolve the mechanical part of the problem, and until this is solved, classified, and a method to manage this situation has been found, this system will not be applied. I know that the taxi and microbus drivers understand the efforts we are making to help them and that they will help us obtain the necessary information as soon as possible.

Now let us discuss a second topic. The second topic is the rules of the game, the prices, the guarantees, and credits for basic grain. This is important because the peasants need to know what is going to happen to basic grain, what the prices will be, and what credits will be granted, so that they can begin to prepare, because the sowing season begins as soon as rains begin, and we must be prepared.

These prices are usually established by the middle of March, but on this occasion they are already prepared, and to calm the peasants, to show them that we are thinking of them, we have already prepared the basic rules of the game so that they can prepare their lands and plant their corn. In regard to basic grain, the cost per quintal, according to the new prices in the country, will be 37 colones for corn, 100 colones for beans, 37 for rice, and 27 for millet.

The first rule of the game is credit on equipment on products. How much credit will we give per manzana? For corn we will give 1,450 colones of credit on equipment or products per manzana. I will repeat, for corn 1,450 colones per manzana; for beans, 1,650 colones per manzana; for rice, 2,410 colones per manzana; for millet, 1,270 colones per manzana; and for the combination of corn and millet, 1,575 colones per manzana.

I believe this is an important measure that means an important increase in lines of credit for each product, and covers all of the costs calculated according to the model. Therefore, I repeat, corn, 1,450; beans, 1,650; rice, 2,410, millet, 1,270; and combination of corn and millet, 1,575 colones.

Another important point the farmers must be aware of, especially the basic grain producers, is how much the Institute of Supply Regulations [IRA] will pay at its plants for the different products. Here are the prices of the products the IRA purchases, so that farmers will know what to expect.

For corn, the guaranteed price the IRA will pay for the volume it normally purchases will be 45 colones. This means that what costs the farmers a maximum of 37 colones will be paid at 45 colones, a profit of 22 percent for the farmer. For beans, the IRA will pay 120 colones per quintal. We calculate production costs at 100 colones, which also indicates a price differential of approximately 20 percent. The same happens with rice. Here, I must explain that we are referring to the guaranteed price of unhusked rice, and the costs referred to are also for unhusked rice. The guaranteed price for unhusked rice will be 46 colones per quintal. Cost per quintal is 37 colones. Consequently, producers make a 20 percent profit.

If to these costs we add the IRA prices for it to be able to operate and subsidize, we will arrive at the IRA costs. The institute spends 10 additional colones. Given a guaranteed price of 45 colones, the IRA cost will be 55. The same goes for beans. Its guaranteed price is 120, its additional cost is 10, and, therefore, the IRA's cost of beans will be 130 colones per quintal. Regarding unhusked rice, its price is 46 colones per quintal. But the IRA must husk it. Consequently, the cost of this operation plus the IRA expenses makes the cost rise from 46 colones to 86 colones per quintal. Having determined the IRA costs, we will now see prices for the public.

May I say now that I have guaranteed basic prices for the current crop for 6 months. I refer here to the new prices for this year's crops. The harvest will take place at the end of the year or the beginning of the coming year, depending on the type of cultivation. But the crops planted by March or April will be harvested by midyear or the end of it. The guaranteed prices for consumers will be these:

Corn, 40 colones per quintal. This means that the IRA will have a cost of 55 colones per quintal and will sell it for 40 colones. This means an IRA subsidy of 15 colones per quintal. Similarly, the IRA will have a cost of 130 colones per quintal of beans, and it will be sold for 100 colones per quintal. This means a subsidy of 30 colones per quintal. The cost of the quintal of husked rice for the IRA is 86 colones per quintal. It will sell it for 65 colones. This means a subsidy of 26 [as heard] colones per quintal. These are then the basic prices for products like corn, beans, rice, millet, and the mixture of corn and millet. I will repeat the figures for producers. Their IRA price is 45 colones per quintal. Price for the consumers will be 40 colones. IRA credit for beans is 1,650 colones per manzana. IRA's guaranteed purchase price is 120 colones per quintal, and the sale price for the public will be 100 colones. As for rice, IRA credit will be 2,410 colones, IRA purchase price will be 46 colones for unhusked rice, and the IRA sale price for the public will be 65 colones per quintal of husked rice.

Let's now see the prices for the fertilizers to be offered by the Agricultural-Livestock Development Bank [BFA] for the 1986-1987 crop.

All the prices that I will mention here will be in colones per 100 kg bags, both of ammonium sulfate and the 1620-0 formula. According to the decision by the BFA, regarding the ammonium sulfate we will establish five new ways of commercializing this product.

In the first place, this product has traditionally been sold in henequen bags. The development division will sell the product at 72 colones per bag, while the bank division will sell it at 74 colones per bag. The second alternative -- and this is one of the new ideas that the BFA has introduced to benefit farmers -- is to sell the product at 68 colones per bag from the development division, while the bank division will sell it at 70 colones per bag. If the farmer is careful and returns the empty bag in good condition to the BFA, the price will be 66 colones from the development division and 68 colones from the banking division. This means the BFA will accept the emtpy bags returned in good condition at the rate of 6 colones per bag. The fourth alternative is the sale in bulk at the BFA warehouses. The bank has built four large warehouses throughout the country. In each of these warehouses, the BFA will have ammonium sulfate in bulk for the farmers. The price will be 60 colones at the development division and 62 colones at the banking division. Lastly, the BFA will offer ammonium sulfate in bulk in the port area of either Acajutla or La Union, as the case may be. The price for those who purchase in bulk in port will be 48 colones per bag from the development division and 50 colones at the banking division. As you can see, the difference between the traditional and the bulk systems is considerable. If we account for the fact that this year a bag of ammonium sulfate costs between 42 and 45 colones, the price of it sold in bulk and at the port will be about the same.

The BFA also offers to cooperatives and those who use ammonium sulfate in considerable quantities a price of 48 colones per bag in bulk plus freight from the port to the place of delivery. So the cooperatives will be able to purchase ammonium sulfate at 48 colones a bag. For the formula 1620-0, a similar commercialization system will be used. The usual price will be 123 colones from the development division and 125 colones from the banking division. This is for 100-kg bags. If the product is sold in plastic bags, the price will be 119 colones from the development division and 121 from the banking division. If the farmer returns the empty bag, he will be credited at a rate of 6 colones, then the price per bag will be 117 and 119 colones per 100-kg bag of this product. If sold in bulk at the BFA warehouses, prices will be 93 colones per bag from the development division and 95 colones at the banking division. Finally, if sold in bulk in the port areas, the price will be 85 colones per bag at the development division and 87 colones at the banking division. So the cooperatives are being offered a price of 85 colones per bag, plus freight, if they so desire. These, then, are the new prices for the sale of fertilizers in an effort to assist the peasants by reducing their indirect costs as related to the handling of fertilizers in the country. I feel this new commercialization formula presented by the BFA is very important and makes it more possible for the farmers' profits to be greater than those calculated for these unit costs based on the traditional system. Any difference they get in the type of purchase they make will be good for them because they will have these prices guaranteed. I only want to make a brief explanation regarding coffee prices for the 1985-1986 crop. A base price has been established. If the average international sale price of Salvadoran coffee is between $185 and $200, the National Coffee Institute [INCAFE] guarantees a price of 400 colones of the standard (?variety), 405 colones for the medium-altitude coffee, and 410 colones for the high-altitude coffee. I repeat, the terms for this guaranteed price are that the average sale price of coffee varies between $185 and $200 per quintal. As for unhusked coffee, you know that the price of each 120-lb bag of unhusked coffee will be 474, 479, and 484 colones at the coffee-processing plants. For coffee in other stages of processing, prices for 200-lb bags will be 400, 395, and 395 [as heard] colones, according to its yield. These are the rules of the game for the sale of coffee.

Any price raise above $200 will be applied to an additional bonus. This answers some questions posed by some coffee growers who were concerned over the manner in which we would handle this. I also want to mention that this price of 400 colones per quintal is tax free, this is to say, all discounts have been made and this is the amount that you will receive per bag of coffee. So this is the explanation for the coffee havest prices.

HONDURAS

BORDER DEMARCATION COMMISSION ESTABLISHED

PA202014 Tegucigalpa LA TRIBUNA in Spanish 19 Feb 86 p 7

[Agreement between the Republics of El Salvador and Honduras to create a special demarcation commission of the El Salvador-Honduras border, confirming the general peace treaty of 30 October 1980.]

[Text] The governments of El Salvador and Honduras represented by Foreign Ministers Rodolfo Antonio Castillo and Carlos Lopez Contreras, respectively, have agreed to sign the following convention:

Whereas: Article 16 of the General Peace Treaty, signed in Lima, Peru, on 30 October 1980, by representatives of El Salvador and Honduras, outlined seven sections of the border between the two countries;

Whereas: Article 18, Paragraph One of said General Peace Treaty named the Mixed Boundaries Commission to demarcate the border already established in Article 16 of the same treaty and as, besides, Article 19 of the above-mentioned international instrument fixed a term of 5 years for such objective, which expired on 10 December 1985;

Whereas: It was not possible for the Mixed Boundaries Commission to complete within the established term the demarcation of the border in the seven outlined sections, and as technical and material work has already been performed in Section 7, which is approximately 72 kms from the Paso de Unire, following the confluence of the Goascoran and Guajiniquil Rivers, to the point known as Los Amates, over the first of these rivers;

Whereas: The El Salvador-Honduras Mixed Boundaries Commission, according to the minutes of its meetings of 23,24 July and 4 October 1985, witnessed the two states' willingness to create an intergovernmental organization to continue the demarcation work of the already outlined border areas between the two countries, described in Article 16 of the General Peace Treaty;

Whereas: The demarcation is a technical execution operation which established on the terrain the terms of an already established outline, agree:

Article 1: To create an intergovernment organization named "Special El Salvador-Honduras Demarcation Commission", which will have the full cooperation of the government institutions of each state, and, in particular, of their respective national geographic institutes.

Article 2: The functions of the special commission to which the previous article refers, will be the same which, in demarcation matters, were assigned to the Mixed Boundaries Commission in the General Peace Treaty between El Salvador and Honduras, particularly as stipulated in Articles 24 and 25, also using the technical norms approved for their work, by the Mixed Boundaries Commission of El Salvador-Honduras for the 1981-1985 period.

Article 3: Within the 10 days following the entry into effect of the present convention, each government will appoint a delegation made up of four members to integrate the "EL Salvador-Honduras Special Demarcation Commission," to be notified by one government to the other, on the same day of their appointment. Likewise, each government will name the support personnel deemed necessary.

Article 4: The expenses required for the performance of operations of the El Salvador-Honduras Special Demarcation Commission, shall be equally shared by both governments. Each state will pay the salaries, expense allowances, and other expenditures of the personnel of its own national delegation. The two governments will provide for the safety of the members of the El Salvador-Honduras Special Demarcation Commission and its auxiliary personnel in the performance of the tasks entrusted to them, for which they will be provided with the necessary escort. The members of the commission will enjoy the status of diplomats and will have the right to immunities and privileges which, according to international law, correspond to diplomatic agents.

Article 5: The El Salvador-Honduras Special Demarcation Commission will prepare the minutes of the agreements to be adopted and the actions to be taken, making two originals for each party.

Article 6: The present convention does not modify in any way the provisions contained in the General Peace Treaty, signed between El Salvador and Honduras in Lima, Peru, on 30 October 1980.

Article 7: The validity of the present convention and the duration of the Special Commission established therein shall be extended to the technical and material completion of the demarcation of the seven border sections already outlined to which Article 16 of the General Peace Treaty refers, mentioned in the previous article.

Article 8: The present convention will enter into effect on the date of its signing.

San Salvador, on the eleventh day of the month of February of ninenteen eighty-six.

For the government of the Republic of El Salvador, Rodolfo Antonio Castillo Claramount

For the government of the Republic of Honduras, Carlos Lopez Contreras

ARMED FORCES CHIEF REGALADO PROMOTED TO GENERAL

PA200330 Tegucigalpa Cadena Audio Video in Spanish 1130 GMT 19 Feb 86

[Excerpt] Colonel Humberto Regalado Hernandez, current chief of the Honduran Armed Forces, was promoted to the rank of brigadier general yesterday.

The decree was approved during the National Congress' second period of sessions last night, once the executive branch's proposal and draft bill was discussed. This is the text of the decree approved yesterday by the legislative body:

Article 1. Col Humberto Regaldo Hernandez has been promoted to the rank of brigadier general of the Honduran Armed Forces.

Article 2. This decree will be in force as of the date of its publication in the OFFICIAL GAZETTE.

Decree issued at the sessions hall of the National Congress in Tegucigalpa, on 18 February 1986

[Signed] Carlos Montoya, president

Oscar Murillo, secretary

Teofilo Norberto Marcel Cruz, secretary

NICARAGUA

TINOCO ON COSTA RICAN BORDER FORCE NEGOTIATIONS

PA201631 Managua Radio Sandino in Spanish 1200 GMT 20 Feb 86

[Text] The establishment of an inspection and oversight force between Costa Rica and Nicaragua would deal a sharp blow to the war and its promoters, Nicaraguan Deputy Foreign Minister Victor Hugo Tinoco said Wednesday, commenting on the bilateral negotiations that begin on Monday. During a press conference the deputy foreign minister also gave details of the work done during a recent Contadora Group meeting in Panama, the only use of which, he said, was that those who support the Caraballeda plan and those who oppose it were identified. He said that during that meeting the Salvadoran and Honduran Governments voiced opposition to the Caraballeda document which other Central American foreign ministers signed on 14 January. Among other things, the Caraballeda plan proposes that support for unconventional forces cease and military maneuvers in the area be suspended. Tinoco said that the position adopted by El Salvador and Honduras reflects the Reagan administration's intention to continue its terrorist policy against Nicaragua.

Representatives of the Nicaraguan and Costa Rican Governments will meet with the Contadora Group deputy foreign ministers in Managua on Monday to discuss the establishment of a permanent inspection and oversight force in the border areas of the two countries, Tinoco announced yesterday. The inspection force was proposed by President Luis Alberto Monge after he announced the reestablishment of diplomatic relations with the Nicaraguan Government. Tinoco revealed no details of the proposal, but did remark that border inspection forces are usually staffed by military personnel of observer countries. Here is what he said:

[Begin recording] The proposal that will be discussed implies the possibility of the participation of representatives of the eight Caraballeda countries; that is, the four that comprise the Support Group and four Contadora Group countries. Only the representatives of the Contadora Group -- the deputy foreign ministers who met in Panama -- will come to Managua.

With regard to the characteristics or details of this force that President Monge proposed, I would like to say that this will be subject to discussion on Monday in terms of its legal, international -- particularly multilateral -- and general dimensions, in the framework of the United Nations.

When one speaks of a force we mean armed or unarmed military personnel, but definitely military observers. This will be discussed with the Costa Rican delegation. We will discuss their concrete plans regarding the kind of foreign presence that will exist on the border. [end recording]

Tinoco expressed optimism regarding the negotiations and said that Nicaragua is willing to discuss the Costa Rican Government's proposal to reach an understanding.

[Begin recording] We are open to all ideas. We have no reservations. It is simply a matter of discussing this carefully and attempting to reach a concrete agreement with the Costa Rican Government. If we really achieve [changes thought]... if the Costa Rican Government continues to show goodwill in advancing toward the creation of a peace force or mechanism we will be dealing a blow to the war, the policy of war, and to those who promote war in Central America. We will be giving peace a chance and enhancing the possibilities of attaining peace. We will encourage the aims of the Contadora and Caraballeda groups and, in consequence, all of those who have been struggling to attempt to find a negotiated, peaceful solution to the Central American conflict for several years now. [end recording]

The deputy foreign minister denounced the policy adopted by the Tegucigalpa bloc, which rejected the nine points of the Caraballeda declaration, as nothing but a reflection of the Reagan administration's policy.

[Begin recording] This reaffirmation by the U.S. President of his decision to continue support for the counterrevolution confirms his rejection of the Latin American option and of Caraballeda, which is evidently a firm, clear position on the part of Latin America. In view of this rejection, confirmed in President Reagan's latest statements, Latin America must examine the situation carefully. Latin America will meet, I repeat, in Punta del Este -- I believe on 27 February. We believe that will be a good opportunity for the Latin American countries that are concerned about peace -- not only in response to a spirit of altruism or to an abstract desire for peace, but also because they know that to a large extent peace in Central America means social peace in their own countries -- to examine the situation and seek new formulas or ways to attempt to win the United States' goodwill in favor of a negotiated solution. [end recording]

BULGARIA REAFFIRMS SUPPORT FOR REVOLUTION

PA100427 Managua BARRICADA in Spanish 7 Feb 86 p 1

[Text] Sofia -- Bulgaria and Nicaragua will do everything possible to strengthen their relations in all fields, said Andrey Lukanov, vice president of the Bulgarian Government, yesterday at the first meeting of the bilateral economic and scientific-technolgical cooperation committee. The committee's Nicaraguan members are headed by Commander of the Revolution Henry Ruiz. The meeting, which is taking place in Sofia, is the first of its kind, and Lukanov said Bulgaria will continue to support the Nicaraguan people who are struggling in defense of the advances of their revolution, against external and internal enemies, and for independent development. The working group will analyze the possibilities for cooperation in the commercial, agricultural, and engineering sectors, as well as in the construction of complete factories by Bulgaria and sending experts to Nicaragua.

In Bulgaria, Commander Ruiz will conclude a working tour of three socialist countries that included visited to Czechoslovakia and Poland. On Saturday, before beginning his flight back to Nicaragua, the revolutionary leader will sign a cooperation agreement in the sectors mentioned with his Bulgarian counterpart.

REPORTAGE ON REAGAN VISIT TO GRENADA, CBI

'Carnival-Like Climate'

FL202239 Havana Radio Reloj Network in Spanish 2136 GMT 20 Feb 86

[By Andres Rodriguez]

[Text] Today, Ronald Wilson Reagan, the 40th U.S. President, made a 5-hour flash visit to the Island of Grenada. According to a French news agency, the man from the White House's Oval Office delivered -- in a carnival-like climate -- an energetic speech mainly referring to Nicaragua. This was to be expected, the Grenadian capital was used by Reagan as a stage in his campaign to increase military aid to counter-revolutionary groups which are the instrument of Washington's aggressive strategy against the land of Sandino. It was another step -- this time in the eastern Caribbean -- using this strategy.

During today's flash visit to Grenada, Reagan spoke a lot about Nicaragua and, according to the news agencies, practically donned Mars' suit of armor, the Roman god of war. However, he did not mention the situation in Haiti. This country suffered through 29 years of a dynasty which systematically violated human rights, among them the most important one, the right of Haitians to eat.

The U.S. President also talked against socialism and about the alleged freedom which was brought to Grenada by U.S. Rangers [preceeding word in English] on October 1983. According to Reagan, freedom returned to Grenada almost 3 years ago -- but we would add -- with a flavor of its own.

Nowadays, according to official figures, 30 percent of the Grenadians are enjoying the freedom of being unemployed. The right to work is a basic human right. In almost 3 years of freedom brought by U.S. Rangers [preceeding word in English] there is no high-class hotel capable of sheltering the U.S. President himself and the 200-member press entourage accompanying him.

In sum, there were many words against Nicaragua but not one on Haiti. Ah, and not even a syllable about the 30 percent of Grenadians who have obtained the freedom of not being able to find a job.

'Two-act Play'

FL210159 Havana Television Service in Spanish 0100 GMT 21 Feb 86

[Text] Besides the Caribbean Basin Initiative, Grenada is perhaps the most obvious example of the real nature of candy-coated U.S. policy. The Yankees established a puppet regime in Grenada, which has increased the unemployment rate to 40 percent compared to the 12.4 percent under the previous leadership of Maurice Bishop. Under these circumstances, Ronald Reagan has visited the small Caribbean nation to star in a two-act play where the super-interventionist displayed his said and questionable power, while his subservient and troubled associates reminded the tyrant that he needs more crumbs to maintain his presidential chair.

TANA: 'Grave Affront'

PA200343 Havana International Service in Spanish 0000 GMT 20 Feb 86

["Special statement" by Guillermo Toriello, president of the Anti-Imperialist Tribunal of Our America, TANA, for Havana Radio; no place or date given -- recorded]

[Text] Reagan's trip to Grenada constitutes a grave affront to the sovereignty and dignity of our America.

At the same time, it is a reaffirmation of Washington's arrogant, expansionist, and interventionist policies, based on the use of force against law, as well as a clear expression of its fierce hegemonic plans over all of Latin America and the Caribbean.

In terms of Cuba, the visit also constitutes a shameless affront to the memory of its internationalist citizens who were there helping as health workers and teachers and rebuilding the airport. Together with Grenadian citizens, these Cubans were massacred by the special U.S. troops during the treacherous and cowardly attack to the fatherland of prominent figure Maurice Bishop.

For Cuba and Nicaragua, the imperialist storming of Grenada was a lesson of what the imperialist commitment will do to implement the Big Stick policy to dominate our countries. It also taught them that to avoid this, they must prepare their peoples' defensive warfare as much as possible.

The accomplice governments of Jamaica, Dominica, St Kitts-Nevis, St Vincent, St Lucia, and Antigua will bow once again before Reagan to participate in the celebrations of this bloody event. Crouching before the necrophilic megalomaniac, they will plead like beggars for more economic and military aid to continue their dominance through the use of violence while starving their peoples. For those puppet regimes, the example of the Haitian people's rebellion which toppled Jean-Claude Duvalier, Washington's favorite son, is a historic lesson which their people will put into practice sooner rather than later to achieve their liberty.

The evil U.S. plans, outlined in the so-called Monroe Doctrine and in the Santa Fe paper drafted to dominate our Americans, is underway, including the CIA murders of Ecuadoran President Jaime Roldos and Panamanian General Omar Torrijos, as well as the invasion of Grenada and the wicked war against the people of Nicaragua. These facts set off an alarm to all the Latin American and Caribbean peoples.

There is no other recourse than unity and being prepared for defense and attack using all forms of struggle against the imperialist. Only a great anti-imperialist and combative front can stop the Washington-based aggressors. With its strong protest over Reagan's shameless visit to Grenada, TANA urges all the peoples of our America to join together and to be prepared for combat.

CBI 'Tremendous Failure'

FL210251 Havana Television Service in Spanish 0100 GMT 21 Feb 86

[Text] The economic assistance with which Yankee imperialists tried to sweeten its policy for the Caribbean Basin, presented to the OAS by Mr Reagan 3 years ago, has turned out to be a tremendous failure.

On that occasion, the resident of the White House played a major part in a most ridiculous act, announcing that his country was offering the region, among other advantages, liberation of area products from U.S. tariffs and financial resources that would, in turn, reactivate their economies.

Reagan's crumbs are consistent, giving the most impoverished zone in the continent one-fifth of what is spent on construction of a nuclear aircraft carrier. While this caused laughter among several specialists, today some of the governments that applauded the project are now bitterly frustrated and accept the inconsistency of the program.

It is certain that since the program became operational in 1984, the Caribbean Basin nations have seen an increase in protectionism and unequal trade in their relations with the United States.

With a total foreign debt exceeding $45 billion and the concept of amortization and interests, the Caribbean Basin suffered losses exceeding $3 billion last year due to falling prices of its basic products. Even countries as faithful as Jamaica felt the imperialist stick that placed drastic limitations on bauxite imports, the fundamental economic product of that island.

BULGARIA'S ZHIVKOV MESSAGE ON CASTRO REELECTION

AU131137 Sofia RABOTNICHESKO DELO in Bulgarian 10 Feb 86 p 1

[Text] Todor Zhivkov, general secregary of the BCP [Bulgarian Communist Party] Central Committee, has sent the following telegram to Fidel Castro, first secretary of the Central Committee of the Communist Party of Cuba [PCC]:

Dear Comrade Fidel Castro,

In the name of the BCP Central Committee and in my own name I congratulate you most cordially on the occasion of your reelection as first secretary of the PCC Central Committee.

We are convinced that the comprehensive cooperation between our parties and countries will continue to develop in the future, based on the principles of Marxism-Leninism and socialist internationalism, in the interest of the Bulgarian and Cuban peoples, and for the cause of peace and socialism.

I wish you, dear Comrade Fidel Castro, and the fraternal Cuban people great successes in the implementation of the decisions of the Third PCC Congress and in further socialist construction in your native land.

CUBAN, LAOTIAN CENTRAL COMMITTEE MEMBERS MEET

FL200322 Havana Radio Periodico Del Aire in Spanish 2230 GMT 19 Feb 86

[Text] Rene Rodruguez Cruz, PCC Central Committee member and president of the Cuban Institute of Friendship with the Peoples, ICAP, has met with Khambou Soumisai, member of the Central Committee of the Lao People's Revolutionary Party, the mayor of Vientiane, and the president of the Laotian-Cuban Friendship Association.

Topics of common interest were discussed in a warm and friendly atmosphere as well as solidarity between the Laotian-Cuban Friendship Association and the ICAP.

COMPARISON OF PCC CENTRAL COMMITTEE/MEMBERSHIP

Havana Television Service in Spanish at 1800 GMT on 8 February 1986 broadcasts the list of names of the members of the PCC Central Committee. The list has been compared to that broadcast by Havana Tele-Rebelde Network and published in the 10 February Latin America & Caribbean DAILY REPORT on pages Q22-23 under the subhead Central Committee, Alternates Named, allowing for the following corrections and fills:

Page Q22, first paragraph, lines six to nine, reads: ...Aguilera, Roberto Damian Alfonso Gonzalez, Juan Almeida Bosque, Rodrigo Alvarez Cambras, Luise E. Alvarez de la Nuez, Abelardo Alvarez Gil, Emilio Aragones Navarro, Jose Ramon Balaguer Cabrera, Sixto Batista Santana, Argelia Balboa Monzon, German Barreiro Carames, Julio E. Camacho Aguilera, Faustino Beato Morejon,... (removing punctuation mark, inserting names of politburo and Secretariat members)

Same paragraph, lines ten and eleven read: ...Casanova, Senen Casas Regueiro, Miguel Jose Cano Blanco,... (inserting name of alternate politburo member)

Same paragraph, lines twelve to fourteen, read: ...Julio Casas Regueiro, Fidel Castro Ruz, Raul Castro Ruz, Osmani Cienfuegos Gorriaran, Leopoldo Cintras Frias, Abelardo Colome Ibarra, Xiomara Contreras Piedra, Sergio Corrieri Hernandez, Homero de la Paz Crabb Valdes, Jaime Crombet Hernandez-Baquero, Franciso J. Cruz Bourzac,... (correcting spelling, inserting names of Politburo and Secretariat members)

Same paragraph, lines sixteen and seventeen, read: ...Juan Escalona Reguera, Vilma Espin Guillois, Ramon Espinosa Martin, Antonio Esquivel Yedra, Jose Ramon Fernandez Alvarez, Eduardo Fernandez Boada,... (inserting names of Politburo and alternate Politburo members)

Same paragraph, lines eighteen and nineteen: ...Elcira Fernandez Torres, Yolanda Ferrer Gomez, Gustavo Fleitas Ramirez,... (inserting name of alternate Politburo member)

Same paragraph, lines twenty to twenty-two read: ...Nicolas Guillen Batista, Armando Hart Davalos, Melba Hernandez Rodriguez del Rey, Alfredo Hondal Gonzalez, Omar H. Iser Mojena, Alfredo Jordan Morales, Carlos Lage Davila, Esteban Lazo Hernandez, Juana Teresa Leyva Torres... (correcting spelling, inserting names of Politburo members)

Same paragraph, lines twenty-four to twenty-seven read: ... Orlando Lugo Fonte, Jose Ramon Machado Ventura, Isidoro Malmierca Peoli, Armando Manresa Isidoro Malmiera Peoli, Armando Manresa Gonzalez, Tania Manzanares Ayala, Pascual Martinez Gil, Angel Mena Kindelan, Jorge Enrique Mendoza Reboredo, Raul Menendez Tomassevch, Raul Michel Varges, Humberto Miguel Fernandez, Pedro Miret Prieto, Jose Miyar Barruecos,... (correcting spelling, inserting names of Politburo members)

Same paragraph, lines twenty-eight and twenty-nine read: ...Angel Rosendo Moreno Bofill, Jose Alberto Naranjo ... (correcting spelling)

Same paragraph, lines thirty-one and thirty-two read: ...Joaquin Quinta Sola, Jose Ramirez Cruz, Fidel Ramos Perera, Maria C. Reyes Fernandez, Jorge Risquet Valdes, Julian Rizo Alvarez, Roberto Robaina Gonzalez,... (inserting names of Politburo and alternate Politburo members)

Same paragraph, lines thirty-four to thirty-six read: ...Antonio Rodriguez Maurell, Carlos Rafael Rodriguez, Ulises Rosales del Toro, Pedro Ross Lea, Victor E. Scheug Colas, Rosa Elena Simeon Negrin, Arnaldo Socarras Miranda, Lionel Soto Prieto, Julio Teja Perez, Diocles Torralba Gonzalez,... (correcting spelling, inserting names of alternate Politburo and Secretariat members)

Same paragraph, line thirty-seven to end of paragraph read: ...Elida Valle Fernandez, Lazaro Vazquez Garcia, Fernando Vecino Alegret, Roberto Veiga Menendez, Margarita Veliz Rios, and Noel Zubiaur Mir. ...(inserting names of politburo and alternate politburo members, supplying dropped names)

Page Q 2? paragraph two, line sixteen and seventeen read: ...Fidel Parra Santoya, Natividad Pedroso Kirkwood,... (inserting punctuation mark)

REPORTAGE ON REAGAN MEETING LEADERS IN GRENADA

Reagan Arrives

FL201716 Bridgetown CANA in English 1708 GMT 20 Feb 86

[Text] St Georges, Grenada, 20 Feb (CANA) -- President Ronald Reagan arrived here at 1704 GMT today for the first visit by an American President.

As President Reagan disembarked from Airforce One, the 75-year-old Reagan was greeted with loud cheers from hundreds of Grenadians who flocked to the point Salines Airport from early this morning. Minutes after arrival, the U.S. President unveiled a commemorative plaque at the airport, which was completed with American funds after the Cuban workforce on the project was expelled in the aftermath of the U.S.-led invasion of the island in October 1983. The invasion, which removed a Marxist military regime, has elevated Reagan to a hero's status here.

One of the many welcome placards said: Welcome Dr Reagan. 99 per cent Grenadians think that you saved their lives in 1983; therefore it is fitting to call you doctor. Good luck and may God richly bless you.

Reagan's other engagements during his four hours in Grenada include separate talks with local and Caribbean leaders and an address at a public rally at Queens Park. The President is accompanied by a number of high-ranking administration officials including Secretary of State George Shultz and Secretary of Defence Casper Weinberger.

Maurice Bishop Group Protests

FL202344 Bridgetown CANA in English 2333 GMT 20 Feb 86

[Text] Some 30 supporters of [former Prime Minister Maurice] Bishop staged a sparcely attended protest against Reagan's visit, describing it as a second invasion of the island. We resisted the first invasion and we are resisting the second, said Kendrick Radix, chairman of the Maurice Biship Patriotic Movement. Several walls around St Georges were painted with slogans such as Reagan you can go to hell Mr Reagan, we no going back in slavery.

Leaders, Reagan Discuss Trade

FL210032 Bridgetown CANA in English 0012 GMT 21 Feb 86

[Text] St Georges, Grenada, Feb 20, CANA -- Trade was the chief subject discussed in the one-hour summit between President Reagan and nine Caribbean leaders here today, a senior American Government official said.

Most of the talks centered on trade matters and to a certain extent on ways to better utilize the aid that would be available (by the U.S.) in coming years, he told reporters. Reagan left here tonight for Washington after near five hour stay.

The official, who declined to be named, said that there were no requests by regional leaders for any massive increases of aid from the Reagan administration. He said that there was recognition among Caribbean leaders that U.S. foreign aid levels are not likely to grow and could fall.

On the situation in Haiti where the Duvalier dynasty ended earlier this month following mass uprising, the official spoke of agreement in the summit about a lack of leadership there and a potential vacuum which must be filled by responsible people. He said that the issue of drug trafficking was looked at during the summit as a threat to the security of the region.

It was noted that the states of the region are facing an increasing threat not from the usage of narcotics but from narcotic traffickers who use these islands as bases for transhipment to the United States, hed said. In this regard, he said the Caribbean leaders told Reagan that some of the opposition groups in their respective islands were making the case that the way to get rich was to join the drug traffickers in the area. The President pointed out that cooperation in the regional security system could help to limit smuggling, he added.

The U.S. official quoted one Caribbean head as telling Reagan that the region was fully in support of him and that we don't want any additional communist beachheads in the Caribbean. We think you should know that we feel strongly about that and are delighted that you care enough about the Caribbean to come down here twice in your presidency, the unnamed regional head is said to have told Reagan.

Chambers Does Not Attend Rally

FL210040 Bridgetown CANA in English 0005 GMT 21 Feb 86

[Text] Port-of-Spain, Trinidad, Feb 20, CANA -- Trinidad and Tobago Prime Minister George Chambers says he opted not to attend today's public rally in Grenada during the visit of U.S. President Ronald Reagan because it marked an event he had opposed -- the 1983 U.S.-led invasion of the island. Chambers was the only one of nine Caribbean Community (Caricom) leaders, who had met Reagan an hour earlier for a mini-summit, not to attend the Queens Park rally, which attracted more than 20,000 people.

The Trinidad leader, who flew back home by helicopter ahead of Reagan's departure, said in comments broadcast on TV here tonight that he was opposed to the military action then and still opposed it now. That was a stated position, Chambers told local TV reporters just before leaving Grenada. Nothing has changed that. I was invited by the prime minister of Grenada to visit Grenada on the occasion of President Reagan's visit to Grenada to participate in a multi-national meeting comprising the independent island states and the President of the United States, he added. Chambers said he had made his position clear to Grenadian leader who understood.

Trinidad and Tobago was the lone eastern Caribbean country opposed to the 1983 intervention by American and Caribbean troops to oust a Marxist military junta which had seized power and executed the Grenada prime minister and half of his cabinet. Chambers said that he used the opportunity of his meeting with Reagan to raise issues of particular concern to Trinidad and Tobago, including graduation from the soft terms window of the World Bank, obstacles to local steel exports to the United States, the possible implications for this country of a possible oil import levy now being mooted for in the U.S., and the question of investment under the Caribbean Basin Initiative (CBI).

Describing his meeting with the U.S. President as eminently satisfactory, Chambers said that Reagan had promised to look personally into the question of duty and anti-dumping duty on oil imports.

I assume from the responses of the President, said Chambers, that we will see some activity in light of his own policies relating to investment expansion in the Caribbean.

Officials Comment on Visit

FL202329 Bridgetown Canaradio in English 2100 GMT 20 Feb 86

[Canaradio special program "Grenada Revisited," a studio panel composed of Caribbean officials hosted by reporter Wendy Thompson, commenting on political implications of president Reagan's 1-day visit to Grenada -- recorded]

[Excerpt] It's been an expectant holiday afternoon in the spice isle with Grenadians turning up in their hundreds, in fact their thousands, going all out to welcome the man, who many regard as their savior, their liberator. Mr Reagan is, of course, the first U.S. President to visit Grenada. In this approximately 4-hour stopover, a number of important things are going to be happening during that time, have in fact already been happening. Most importantly, perhaps, is the meeting between the President, a sort of summit between President Ronald Reagan of the United States and some nine Caricom heads of government. A number of things were addressed there and we're going to be looking at that and at Mr Reagan's address.

With me in the studio this afternoon, we have Mr Henry (Ford), from our Barbados Ministry of Foreign Affairs and current parliamentarian and Dr Patrick (Emmanuel), a Grenadian himself, who served in the interim government and senior research fellow with the Institute of Social and Economic Research of the University of the West Indies.

Welcome, gentlemen, before we actually go over to Queens Park, I'd like to get your impressions first of all about the significance of this first President of the United States to visit Grenada. Mr (Ford), perhaps your impression first of all.

[(Ford)] Well, I better speak of it from the point of view of the United States. The significance for the Americans is perhaps one of the success stories of an invasion by the Americans and I think President Reagan and his party see this as significant in the fight for democracy in the Americas and I think that is what he will be stressing as he speaks to the people of Grenada and the Caribbean and as he focuses his attention on areas in Latin America which he thinks are challenging democracy.

[(Dr Emmanuel)] Well, I should say just a few words from the perspective of Grenada and the Caribbean region. It is just over 2 years since the invasion itself has taken place. Since then there has been an election in Grenada and to that extent there has been a resurgence of competitive politics and parliamentary rules, but of course there has not been considerable revitilization of the economy. So while I think it was clear in 1983 that the American's invasion was a popular one in Grenada and a popular one among people throughout the eastern Caribbean and throughout the Caribbean as a whole, I believe that even though there is an atmosphere of some celebration in Grenada at this time, that the visit itself must not allow us to remove our eyes from the longer term concerns the people of Grenada face.

As we have heard parts of Mr Reagan's speech, he has been talking more about democracy and the return to democracy in Grenada in the region but little as yet -- and we have not heard the whole speech -- on the economic problems that face the region, and I believe this is the principle concern of the other heads of government who have come to Grenada to speak to Mr Reagan. They are focusing far more on the economic issues than on the issues of parliamentary democracy.

[Announcer] Of course, we haven't had any concrete news coming out of that meeting which has just ended in fact, but we know economic issues, security, particularly, trade, aid, the CBI [Caribbean Basin Initiative] security, talk of a Libyan threat in the region recently surfacing. These are all important issues we think Caricom leaders would have been addressing with the President. Mr (Ford), perhaps you can tell me of these issues, which do you see as perhaps the most important that needs to be addressed, needs to be sort of found a solution for at this present meeting.

[(Ford)] I think the most important issue for the Caribbean nation is certainly the economic issue. The world recession has really affected very adversely the economies of several of the countries. Most of the countries are disappointed with the results coming out of the CBI, although one must admit that the CBI agreement has not been going for a long time. But most of them are concerned to insure a greater access to the United States, particularly to get removed from the list of prohibited areas for trade, the areas like garments, etcetera, which are now excluded. I think a lot of emphasis will be placed on this, even much more so than our financial aid. I think the terms of trade are unfavorable for us, vis-a-a-vis the United States. The sugar quota is being slashed for instance, for Barbados certainly, and there is a lot of concern in the region about how to redress the balance of trade and insure that we have easier access in the areas in which we are able really to produce.

Reagan Departs

FL202226 Bridgetown CANA in English 2216 GMT 20 Feb 86

[Text] St Georges, Grenada, Feb 20, CANA -- U.S. President Ronald Reagan left Grenada today after a historic near five-hour visit that included talks with Caribbean leaders. The President, on his first visit to the island where he dispatched troops on a 1983 rescue mission when a Marxist junta executed the Grenada Prime Minister and bedlam reigned, was given a tumultouous ovation at a rally he addressed before leaving. Reagan's visit included a stop at the St Georges University School of Medicine, where he laid a wreath at the foot of a six foot statue in memory of 19 American servicemen killed in the military action 28 months ago.

OECS ENDS 1ST SERIES OF EXPORT STRATEGY MEETINGS

FL200450 Bridgetown CANA in English 2251 GMT 19 Feb 86

[Text] Basseterre, St Kitts, Feb 19, CANA - Organisation of Eastern Caribbean States (OECS) members have ended the first in a series of meetings to work out export development strategies for the seven-nation grouping. St Kitts-Nevis Trade Minister Roy Jones told the meeting that ended here yesterday there was a need for a policy embracing export growth and import substitution. He stressed the importance of developing marketing and development strategies to reach foreign markets, adding we need to look at what we have to export, and make the best use of it.

The one-day meeting was held at the university centre in Basseterre, and involved representatives from the public and private sectors. Two officers from the OECS Secretariat -- Percival Marie, chief of the economic policy sector, and John Mitchell, senior trade officer -- co-ordinated the meeting. Marie said the meeting was aimed at devising strategies through discussions with those who would eventually implement them. Consideration of common experiences and discussion of areas needing special attention were important, he added.

GRENADA

POLICE DEMOLISH ST GEORGES GHETTO, ARREST 25

FL201634 Bridgetown CANA in English 1618 GMT 20 Feb 86

[Text] St Georges, Grenada, Feb 20, CANA -- Police in Grenada last night demolished a St Georges ghetto during a raid in which 25 persons, including one woman, were taken into custody. The raid by regular members of the police and American-trained Special Services Unit (SSU) personnel came as Grenada prepared to welcome American President Ronald Reagan today.

Angry protestors, some of whom claimed the police beat youths with gun butts, threw several drums, tires and broken bottles into the street in front of the ghetto and hurled accusations of brutality at those members of the SSU who returned to patrol the area. There were also shouts of CIA and Klu Klux Klan at whites who drove through the area.

Reagan is visiting Grenada nearly two-and-a-half years after U.S. troops stormed the small east Caribbean islands to unseat a leftist group that had seized power in a bloody coup.

A police official told CANA that the raid was aimed at checking reported illegal activities in the ghetto. The official denied claims that the decision to demolish the wooden structures was influenced by an anti-Reagan poster hanging on a building in front of the ghetto. The poster shows Reagan with horns. It also bears some anti-American slogans. Witnesses said the ghetto residents were handcuffed and taken to a nearby police station.

TRINIDAD-TOBAGO

FOUR PARTIES TO FORM OPPOSITION ALLIANCE

FL200440 Bridgetown CANA in English 2304 GMT 19 Feb 86

[Text] Port-of-Spain, Trinidad, Feb 19 CANA -- Trinidad and Tobago's four-party opposition grouping -- the National Alliance for Reconstruction (NAR) -- is to be formally launched as a unitary party at a special conference this Sunday, party officials said today. The all-day conference will allow delegates to pass resolutions giving birth to a unitary party, the officials reported. The NAR comprises the members of the National Alliance for Reconstruction, (the Democratic Action Congress, the United Labour Front, and the Tapia House Movement), and the Organisation for National Reconstruction (ONR). The grouping is billed as the biggest threat to the 30-year rule of the Peoples National Movement (PNM), which like the NAR is gearing for general elections constitutionally due next year.